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11/12/87

NOVEMBER 9, 1987

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

CABLE SPORTS HITS THE BIG LEAGUES

BLUE SKY IS BACK AT CITY HALL

GILL FINDS A VCR SOLUTION

MOONEY, VALENTI DUKE IT OUT

FINE-TUNING OF MUST-CARRY LIKELY

BLACK MONDAY AND ITS AFTERMATH: LEARNING TO LIVE IN A BEAR MARKET

Time Inc.
United Cable
General Instrument
Disney
Gulf & Western
OPEN
10:00 am
NOON
1:00
3:00
1:00 pm
CLOSE

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FRONT LINE

Tax law changes 12
Possibly to reassure Wall Street, the top tax writer in the U.S. House signals flexibility on the question of deducting interest expense from mergers and acquisitions.

Promo deals proliferate 13
The Weather Channel and NuCable both announce ventures for offering operators tune-in promotional channels as industry interest in that category grows. TWC, in conjunction with Tele-Communications Inc., will offer three-minute segments twice an hour telling viewers what's on other basic channels.

Viacom sets dubious record 18
Most all cable stocks took a beating on Wall Street on Black Monday and in subsequent days, but the 62 percent slide in Viacom stock probably is the record.

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Conventional wisdom is that "good" operators won't be threatened by overbuilds, but experts say the economics of system prices is the real determining factor.

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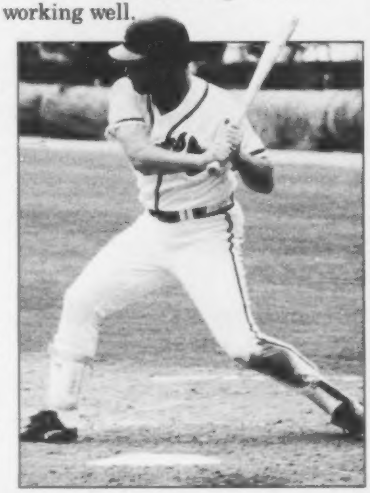
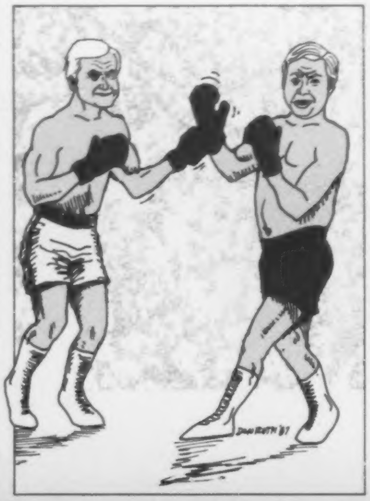
PROGRAMMING

Sports goes to bat 28
At one time sports on cable wasn't much more than celebrity arm wrestling, but with ESPN's NFL deal and greater sophistication by the regional networks, the picture these days looks more like the Big Three. And the boom seems far from over for a category some say is "video-proof."



MANAGEMENT

Blue sky is back 44
The Cable Act protects you from unreasonable demands by the city at refranchising time, right? Well, maybe, but many cities are making it clear they will want state-of-the-art rebuilds and are willing to play their trump card—the telcos.



LAW AND REGULATION

And the winner is... 52
Some heavy blows landed, some below the belt, when cable put up its heavyweight, James Mooney, against the reigning champ of rhetoric, Hollywood's Jack Valenti, at a friendly debate in Washington. You decide who won.

Must-carry in court again 56
The same court that threw out the must-carry rules in the landmark *Quincy* decision is again being asked to judge whether the FCC's new and improved version should stand.

COVER STORY

The crash of '87 58
Cable's bull market was gored on Black Monday when industry stocks on average shed 35 percent of their value. Analysts say the plunge has closed the junk bond market and caused other dislocations to the business, but stock buybacks proliferate.

BETWEEN THE LINES

When market plunged, FNN was first and best

"With all these world crises going on," joked Michael Fuchs at the recent Cable Academy luncheon in Los Angeles, "don't you have a suspicion these 24-hour news services are sort of causing this a little bit. Ted (Turner) is running around with these great ratings on Baby Jessica in the well. He's sending (Robert) Wussler out to put candy on the ledge of every well in America. And Wussler is doing it."

That bit of black humor got a good laugh, but the phenomenon of cable ratings soaring every time a story of national interest breaks is a serious matter that goes to the heart of cable's popularity. It is now an accepted fact of cable programming that millions of Americans have developed an ingrained reflex to turn to cable whenever they want all the news, now.

CNN, of course, created this phenomenon and is its greatest beneficiary. The slaughter of our Marines in Beirut, the explosion of the space shuttle Challenger, and the Texas infant stranded in the abandoned well are among the more notable events upon which the all-news channel has built its reputation as the place to turn when disaster strikes.

Similarly, C-SPAN audiences swell whenever a crisis erupts in Washington. The Senate confirmation hearings on Judge Robert Bork probably did more to engrain C-SPAN II into the national consciousness than any marketing plan ever could have accomplished.

And now we can add another cable channel to the list of those that thrive on crisis: Financial News Network.

When the stock market collapsed, FNN provided a steady stream of information and analysis by financial experts on what was happening and why. In interviews with brokers, lenders and other market insiders, FNN did a commendable job of keeping Americans abreast of what was occurring on Wall Street.

"This is what FNN was born for," Eve Krzyzanowski, vice president of news programming, was quoted as saying in the *New York Times*. In a lengthy story in *The Times* on Oct. 27, FNN was credited with being the first to report that the stock market was nosediving just after trading began on the New York Exchange on Black Monday.

And, *The Times* noted, CNN was the first general news organization to report on the market slide when it took note of the sharp decline about an hour after trading began that day.

By contract, FNN's stock ticker which streams across the bottom of the screen lags the stock exchange tickers by 15 minutes. But more importantly, as *The Times* observed, it can and did report several stock indexes immediately. Thus FNN provided a valuable source of almost instantaneous information on the fluctuating Dow Jones average.

The Times business page article was headlined "FNN Moves Into the Spotlight." And indeed it has. It is yet another example of how cable is revolutionizing television, of how cable can be, as NCTA President James Mooney is fond of saying, the last, best hope of television.

Admittedly, there remain many pimples on the face of cable programming. As is pointed out in our report on the new age of sports on cable, beginning on page 28, there remain several "celebrity arm wrestling" events on some regional and even national programming services. But for every one of those "narrow-interest" events, as ESPN President William Grimes calls them, there is a National Football League game, or a Mets vs. Cardinals contest during the pennant race or a good hockey game called by someone who actually understands the sport.

And cable programming has developed this diversity and sophistication in less time than it took broadcast television to begin transmitting in color.

It would be appropriately symmetrical to close this piece where it opened, with Michael Fuchs and HBO. Happy 15th anniversary.

—Steve Tuttle
Executive Editor

CableVision

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November 9, 1987
Volume 12, Number 30

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC.

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. Nov. 9, 1987, Volume 12, Number 30. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Denver, Colo. POSTMASTER: Please send address changes to, *CableVision*, P.O. Box 5208-TA, Denver, Colorado 80217.

ABP BPA

Film product comparison-December

Film	Pay Networks					Distributor
48 Hrs.	(HBO)		TMC		(MAX)	Paramount
80 Steps to Jonah					MAX	Warner Bros.
A Raisin in the Sun					MAX	Columbia
A Woman Called Golda					MAX	Paramount
About Last Night...	(HBO)				*MAX	Tri-Star
Airplane II: The Sequel		ST			MAX	Paramount
Al Jennings of Oklahoma					MAX	Columbia
Alice's Adventures in Wonderland		*ST	(TMC)			Muller Media
Aliens	(HBO)	(ST)	(TMC)		*MAX	20th Century-Fox
All the Right Moves	HBO		TMC			20th Century-Fox
Amazing Mr. Blunden, The	HBO					Excel Tel.
American Madness					MAX	Columbia
American Ninja		ST	*TMC			Cannon
Anatomy of a Murder					MAX	Columbia
Armed and Dangerous	HBO				(MAX)	Columbia
Around the World in 80 Days		ST			(MAX)	Sage
Arthur		(ST)	*TMC		MAX	Warner Bros.
Arthur's Hallowed Ground			*TMC	*DIS		Film Gallery
Bachelor and the Bobbysoxer, The					MAX	RKO Pictures
Back to School	(HBO)	ST	(TMC)		*MAX	Orion
Back to the Future	(HBO)				*MAX	Universal
Band of the Hand	(HBO)				MAX	Tri-Star
Bandit of Sherwood Forest				(DIS)	MAX	Columbia
Barretts of Wimpole Street		(ST)	(TMC)	*DIS		MGM/UA
Belizaire the Cajun			(TMC)		MAX	Skouras
Betrayed		(ST)	*TMC			MGM/UA
Bette Midler:Divine Madness	HBO					Warner Bros.
Better Off Dead	HBO					Warner Bros.
Bible, The		ST				20th Century-Fox
Big Wednesday	HBO					Warner Bros.
Bite the Bullet	HBO					Columbia
Blue Skies Again			*TMC			Warner Bros.
BMX Bandits	HBO	(ST)				Media Home
Bon Voyage,Charlie Brown	HBO	ST				Paramount
Bonjour Tristesse					MAX	Columbia
Born Free	HBO				(MAX)	Columbia
Boss's Wife, The	HBO					Tri-Star
Boy Who Could Fly,The				(DIS)	MAX	Lorimar-Telepics.
Brazil	(HBO)	ST			(MAX)	Universal
Breaking Away		(ST)	(TMC)		MAX	20th Century-Fox
Breakthrough			*TMC			Warner Bros.
Brighton Beach Memoirs	HBO	ST	TMC			Universal
Brothers Karamazov, the		ST				MGM/UA
Buddy Holly Story, The	HBO					Columbia
Bugs Bunny Road-Runner Movie	HBO					Warner Bros.
By the Light of the Silvery Moon			(TMC)		MAX	Warner Bros.
Cactus Flower					MAX	Columbia
Caine Mutiny	HBO					Columbia
Candy Stripe Nurses					MAX	Viacom
Captain Horatio Hornblower		(ST)			MAX	Warner Bros.
Cardinal, The					MAX	Hal Roach
Care Bears II	HBO			(DIS)		Columbia
Carson City		ST	TMC			Warner Bros.
Challenge for Robin Hood	(HBO)	*ST				Warner Bros.
Charley and the Angel				DIS		Disney
Check is in the Mail,The	(HBO)				MAX	ITC Ent.
Cheech and Chong's Nice Dreams	HBO				(MAX)	Columbia
Cheyenne Social Club		(ST)	*TMC		(MAX)	Warner Bros.
Children of a Lesser God		*ST	TMC			Paramount
Chisum		(ST)	*TMC		(MAX)	Warner Bros.
Christmas Visitor, The				DIS		Disney
Close Encounters of the Third Kind					MAX	Columbia
Coast to Coast	HBO					Paramount
Cobra					*MAX	Warner Bros.
Coca-Cola Kid, The	(HBO)		*TMC			Film Gallery
Cocoon	(HBO)	ST			(MAX)	20th Century-Fox
Color of Money, the		ST	TMC			Touchstone
Color Purple, The	HBO					Warner Bros.
Come Fill the Cup			TMC			Warner Bros.
Comedians, The		(ST)	TMC			MGM/UA
Company of Wolves, the		ST	*TMC			Cannon
Cover Girl					MAX	Columbia
Cowboys, The			TMC			Warner Bros.
Creator		(ST)	*TMC		(MAX)	Universal
Crimewave					MAX	Columbia
Cujo					MAX	Warner Bros.
Daffy Duck's Movie	HBO					Warner Bros.
Damned Don't Cry, The			TMC			Warner Bros.
Dangerously Close		(ST)	*TMC			Cannon
Darby O'Gill and the Little People				*DIS		Disney
Dark Forces	HBO					Castle Hill
Dark Horse		ST				Universal
Deadtime Stories			TMC			New Century
Death on the Nile	HBO		TMC			Paramount
Deerslayer, The		ST				Viacom
Desperate Lives	HBO					Lorimar
Detective School Dropouts		(ST)	*TMC			Cannon
Dirty Dozen, The		ST	(TMC)		(MAX)	MGM/UA
Doctor and the Devils			TMC			20th Century-Fox
Dollars ($)					MAX	Columbia
Down and Out in Beverly Hills		(ST)	*TMC			Touchstone
Down Argentine Way				DIS		20th Century-Fox
Dream Chasers, The				*DIS		Pacific Intl.
Electric Dreams	HBO	(ST)	*TMC	(DIS)	(MAX)	MGM/UA
Eliminators		ST	(TMC)			DEG
Every Time We Say Goodbye					MAX	Tri-Star
Except For Me and Thee		(ST)		DIS		20th Century-Fox
F/X	(HBO)		(TMC)		MAX	Orion
Far From the Madding Crowd		ST	(TMC)			MGM/UA
Fast-Walking		ST				Lorimar
Firewalker		ST				Cannon
Fool For Love		(ST)	TMC			Cannon
Foreign Body		ST	TMC		MAX	Orion
Fortress	HBO					Crawford
Foul Play			TMC		MAX	Paramount
From Hell To Texas					MAX	20th Century-Fox
Games Mother Never Tought You	HBO					Televenture
Gang's All Here, The				*DIS		20th Century-Fox
Getting Even					MAX	Pray/Dallas
Girls School Screamers		*ST	(TMC)			Troma
Glass Bottom Boat, The			TMC	(DIS)	(MAX)	MGM/UA
Gnome-Mobile, The				*DIS		Disney
Godfather Part II, The	HBO				(MAX)	Paramount
Godfather, The	HBO				(MAX)	Paramount
Gods Must Be Crazy, The	(HBO)		TMC		(MAX)	20th Century-Fox
Good Guys and the Bad Guys, The					MAX	Warner Bros.
Goodbye, Mr. Chips		(ST)	(TMC)	*DIS	(MAX)	MGM/UA
Gorky Park			TMC		MAX	Orion
Gospel According to Vic			TMC		MAX	New Century
Greaser's Palace			*TMC			Castle Hill
Great Gatsby, The			(TMC)		MAX	Paramount
Great Love Experiment	(HBO)	ST				Nu-Image Film
Gulliver's Travels				*DIS		Miramax Film
Gunga Din					MAX	RKO Pictures
Guns of Navarone, The					MAX	Columbia
H.O.T.S.		(ST)			MAX	Blum Group
Half Life					MAX	Kino
Hamburger The Motion Picture	HBO					Feldman
Hard Choices		ST	TMC			Lorimar
Hardbodies 2	(HBO)	*ST				Columbia
Haunted School, The				*DIS		RevCom
Head					MAX	Columbia
Heartbreak Ridge	HBO				MAX	Warner Bros.
Heaven With a Gun		ST				MGM/UA
Highlander	(HBO)	ST			(MAX)	20th Century-Fox
Hitcher, The	(HBO)				*MAX	Silver Screen
Homestretch, The				DIS		20th Century-Fox
How the West Was Won		(ST)	TMC		(MAX)	MGM/UA
Hurry Sundown			*TMC		(MAX)	Paramount
Illusions					MAX	Televentures
Independence Day					MAX	Warner Bros.
Into the Homeland	HBO					HBO Pictures
Invaders From Mars		ST	(TMC)			Cannon

Film	Pay Networks					Distributor
Iron Eagle	HBO				(MAX)	Tri-Star
Jazz Singer, The		ST	(TMC)			Warner Bros.
Joshua Then and Now	HBO		TMC			20th Century-Fox
Joy of Sex		(ST)	*TMC			Paramount
Julia		*ST			(MAX)	Essex
Just You and Me,Kid					MAX	Columbia
Karate Kid Part II, The	(HBO)				*MAX	Columbia
Kim		ST	(TMC)	(DIS)	MAX	MGM/UA
King Kong Lives		ST	TMC			DEG
King Solomon's Mines		(ST)	*TMC			Cannon
Kiss of the Spider Woman		*ST	(TMC)			Embassy
Lady Jane			*TMC			Paramount
Legal Eagles	(HBO)	(ST)			MAX	Universal
Legend		(ST)	TMC		(MAX)	Universal
Let's Get Hairy					MAX	Tri-Star
Light Blast		ST	(TMC)			Lorimar
Lookin' To Get Out			TMC			Lorimar
Loose Screws		*ST	(TMC)		(MAX)	New Horizons
Lost Horizon					MAX	Columbia
Love Machine, The					MAX	Columbia
Lucas			*TMC		*MAX	20th Century-Fox
Lullaby of Broadway		ST	(TMC)			Warner Bros.
Magnificant Dope, The			(TMC)	*DIS		20th Century-Fox
Making Contact	HBO				(MAX)	New World
Malcolm					MAX	Vestron Video
Malibu Bikini Shop	HBO					Wescom
Man Who Came to Dinner		*ST				MGM/UA
Manhattan Project, The	(HBO)	ST			(MAX)	20th Century-Fox
Marlowe		ST	*TMC		(MAX)	MGM/UA
Mean Streets					MAX	Warner Bros.
Million Dollar Collar				*DIS		Disney
Miss Mary					MAX	New World
Modern Girls		ST	TMC			Paramount
Mona Lisa		*ST	(TMC)			Island Pictures
Money Pit, The	*HBO	(ST)	(TMC)		(MAX)	Universal
Morgan!			TMC			Viacom
Mouse That Roared, The					MAX	Columbia
Mr. Belvedere Goes to College				*DIS		20th Century-Fox
Mr. Rossi's Dreams				*DIS		Italtoons
My American Cousin	HBO	(ST)	(TMC)			Int'l Spectra
My Little Pony				*DIS		Sunbow Productions
My Side of the Mountain				DIS		Paramount
Nadia				*DIS		Tribune Ent.
Never Too Young To Die			TMC			Goldwyn
Neverending Story, The					MAX	Warner Bros.
Nightforce					MAX	Vestron Video
Ninja III The Domination	HBO				(MAX)	Cannon
Nothing in Common	(HBO)				*MAX	Tri-Star
Nutcracker		ST	TMC			Atlantic
Nutcracker Fantasy				DIS		Sanrio
Off Beat		(ST)	TMC			Touchstone
Official Story, The					MAX	Almi Pictures
Oliver	*HBO					Columbia
On the Double				DIS	(MAX)	Paramount
On the Right Track					MAX	20th Century-Fox
Once Bitten	(HBO)		(TMC)		*MAX	S.Goldwyn
One Magic Christmas				DIS		Disney
One More Saturday Night	HBO					Columbia
Ordinary People		ST			MAX	Paramount
Out of Africa	(HBO)	(ST)	(TMC)		MAX	Universal
Outlaw Josey Wales		(ST)	*TMC		(MAX)	Warner Bros.
Patricia		*ST				Film Gallery
Personal Best					MAX	Warner Bros.
Peter Lundy and the Medicine Hat		(ST)	TMC			Viacom
Pink Chiquitas, The			TMC			20th Century-Fox
Pirate Movie, The					MAX	20th Century-Fox
Playing for Keeps	HBO		TMC			Universal
Please Don't Eat the Pictures				DIS		Children's TV Workshop
Pleasure of His Company			(TMC)	*DIS		Paramount
Plymouth Adventure, The		(ST)		*DIS	(MAX)	MGM/UA
Point, The				*DIS		Murakami
Postman Always Rings Twice, The		ST			MAX	Lorimar
Pretty in Pink		(ST)	*TMC			Paramount
Private Function, A		ST	TMC			Island Pictures
Psycho III	(HBO)	(ST)	(TMC)		MAX	Universal
Pumping Iron II					*MAX	Lorimar-Telepics.
Raw Deal		ST				DEG
Red Sonja		ST	*TMC			TBS
Return of the Antelope				*DIS		Granada TV Intl.
Return of the Jedi	(HBO)	(ST)			MAX	Lucas Film
River Rat, The		ST				Paramount

Film	Pay Networks					Distributor
Roxie Hart				*DIS		20th Century-Fox
Salvador					MAX	Hemdale
Samson and Delilah					MAX	Paramount
Santa Claus	HBO				(MAX)	Tri-Star
Say Yes					*MAX	Cinetel
Scanners	HBO				(MAX)	Mutual Film
Screen Test					MAX	Come Around
Secrets of the Bermuda Triangle					MAX	Warner Bros.
Sensuous Nurse, The		(ST)			MAX	Castle Hill
Seven Brides For Seven Brothers			(TMC)	(DIS)	MAX	MGM/UA
Silent One, The		ST				Satori
Silver Chalice, The		(ST)	(TMC)		MAX	Warner Bros.
Six Weeks			TMC			King Features
Skin Game			TMC		MAX	Warner Bros.
Slayground	HBO					Thorn-Emi
Sloane	HBO					Skouras
Smoke				DIS		
Solarbabies	HBO					MGM/UA
Solo				*DIS		Dayton/Stewart
Something Wild		*ST	(TMC)		(MAX)	Orion
Somewhere, Tomorrow				DIS		Film Gallery
Soul Man	(HBO)				*MAX	New World
Sounder				*DIS		UPA Prod,of America
South Pacific				*DIS		Goldwyn
Spacecamp	HBO				(MAX)	ABC Dist.
Spies Like Us	HBO				(MAX)	Warner Bros.
Stalag 17			TMC		*MAX	Paramount
Stand By Me	(HBO)				*MAX	Columbia
Star Crystal	HBO					New World
Story of David, The					MAX	Columbia
Story of Will Rogers, The		(ST)	(TMC)		MAX	Warner Bros.
Strange Invaders	HBO	(ST)	(TMC)		(MAX)	Orion
Stranger in the House					MAX	Warner Bros.
Streets of Gold			*TMC		(MAX)	Fox/Lorber
Stripper		(ST)	TMC		*MAX	20th Century-Fox
Submission		(ST)	TMC			U.S. Media
Sweet Dreams	(HBO)				MAX	Silver Screen
Tender Age, The	HBO				(MAX)	Skouras
Tex	(HBO)	(ST)	*TMC	(DIS)		Touchstone
That Night in Rio					MAX	20th Century-Fox
There Was A Crooked Man			TMC		MAX	Warner Bros.
This is Spinal Tap					MAX	Embassy
This Property is Condemned					MAX	Paramount
This Sporting Life			*TMC			New Century
Three Amigos!	HBO				MAX	Orion
Thunder Run		ST				Cannon
Time After Time	(HBO)				MAX	Warner Bros.
To the Shores of Tripoli				DIS		20th Century-Fox
Top Gun		ST	TMC			Paramount
Trading Places		(ST)	TMC			Paramount
Tuck Everlasting				DIS		Coe Films
Twice in a Lifetime		(ST)	*TMC			Roberts
Two Against the Arctic				DIS		Disney
Two of a Kind				*DIS		N/A
Under Fire			*TMC		(MAX)	Orion
Under the Cherry Moon	HBO					Warner Bros.
Until September	HBO					MGM/UA
Up the Academy	HBO					Warner Bros.
Warrior and the Sorceress		ST				New Horizons
Week-End in Havana					MAX	20th Century-Fox
Weekend Warriors					MAX	TMC Pics.

Cable Network Legend:
TMC—The Movie Channel
HBO—Home Box Office
DIS—The Disney Channel
ST—Showtime
MAX—Cinemax

- Networks in parentheses indicate carriage in June, July August September and/or October.

- An asterisk indicates the film is a carry-over from June, July August September and/or October.

- In total, 299 films appear on the December schedules of Home Box Office, Showtime, The Movie Channel, The Disney Channel and Cinemax. Of those titles, during the last six months, one has played on all five services, nine have played on four of the five services, 33 have played on three, and one hundred and eight have played on two of the five services. One hundred and forty-four titles on the December schedules of these five services were unduplicated in the last six months.

- The motion picture distributor with the most titles is Warner Bros. with 43. Columbia with 31, Paramount with 28, 20th Century-Fox with 22, MGM/UA with 15.

Cable's bull market gored in plunge, sending industry into uncharted waters

Fundamentals of the business remain sound, but 'recession-proof' claim may be tested

By Virginia Munger Kahn

Aftermath of the crash

- Cable stocks plummet 35 percent from their highs of just a few months ago
- TCI, ATC, Comcast, United Cable and United Artists announce stock buyback programs
- The junk bond market becomes so expensive as to be considered "closed" to new issues for all intents and purposes
- Continental Cablevision vows to proceed with its acquisition of American Cablesystems. Storer Communications sale, while temporarily put on hold, moves forward. Other deals said to be undergoing restructuring
- Interest rates decline for first time in weeks. Federal Reserve vows to make more money available at lower rates to keep the system liquid

Whatever one thinks about the market crash on Oct. 19, the magnitude of that day's events cannot be underestimated. At the least, the 508 point drop in the Dow Jones industrial average that day will make consumers and businesses more cautious about purchases. At worst, the selloff and its subsequent results could lead to a world financial crisis the likes of which have not been seen in this country for 50 years. For now most experts are downplaying the likelihood of the latter event. They cite the lessons the government learned after the last crash and the controls on the system that were put in place at that time.

But short of such a catastrophe, most businesses in America are confronting a more difficult financial environment where their options for raising capital are diminished and their assumptions for growth may have to be scaled back. The results of these new constraints are likely to include a slowdown in mergers and acquisitions and a plateauing or scaling back of prices not only in the public markets, but in the private markets as well.

Cable analysts and industry executives are right when they note that their underlying businesses are not directly affected by the severe declines in the stock market's value. About half the country is expected to continue paying for cable television, and the cash flows generated from that activity will continue to serve operators well with the banking community. In fact, with interest rates falling back as the government strives to maintain liquidity in the system, the immediate future looks better than it did a few weeks ago.

General Instrument
Disney

This underlying confidence in the business is underscored by the stock buyback programs announced during the week of the crash by five of the six leading cable operators—Tele-Communications Inc., American Television & Communications, Comcast Corp., United Cable and United Artists Communications. In several cases these programs amount to significant percentages of the outstanding, publicly-traded stock in the company. ATC's program, for example, represents almost 15 percent of the company's Class A shares. United Artists' program is similarly ambitious.

In a statement announcing its plans to repurchase 5 million of its shares, Comcast said it wanted to take advantage of an opportunity to increase its holdings of treasury stock "at prices deemed attractive... in light of unusual market conditions now existing."

"If the companies are right that Armageddon is not on its way, this is an opportunity to retrieve their stock. Later they can use it for future acquisitions," notes Mark Riely, an analyst at Eberstadt Fleming. Says Steven Rattner, managing director at Morgan Stanley & Co., "This is a great idea. Where else are you going to buy subscribers at $1,000 per sub?"

That confidence in the business and the opportunity presented by the significant fallback in public stock values leads at least one leading cable lender to say that the "communications industry market is a very attractive deal right now." Next year will be a great year for broadcasters, he says, and the prospects for cable cash flows and the industry's ability to weather economic conditions are excellent.

If the economy does slow down as a result of the stock market plunge, as consumers and businesses pull back on spending plans, several industry observers and analysts express their faith in cable's ability to pull through such a period in fairly good shape. "As long as you're talking about a recession, it is (recession-proof)," says one investment banker. "If you're not absolutely broke, what do you do? You watch television," he says. John Waller, president of Waller Capital, relishes recounting when he was selling HBO in the back woods of Pennsylvania and West Virginia: "people literally gave up their phones to get cable TV."

Slower growth

Yet Waller and others admit that in a recession, operators would face slower growth in penetration and that pay may suffer if people feel squeezed for money. That realization, that operators will not be able to increase rates as rapidly as they might have planned, means that bankers will look more closely at aggressive projections on high growth where there is a good deal of debt.

At the same time, Riely says the industry would be better off in a recession now than it was during the 1970s when it was more dependent on pay for the bulk of its profits. Basic service now provides the foundation upon which most operators' cash flow is based. Even if inflation picks up again, he says, cable operators are better positioned to cope with the economy because they are no longer rate regulated.

"Among growth industries, there will be less of an impact (on cable)," says Riely. "I think cable operators have that confidence themselves. Otherwise, there wouldn't be five out of the top six operators" buying back their stock.

That confidence in the basic strength of their business aside, operators face a new, far more volatile financial environment as a result of the events of Black Monday. Because values in the public markets have been discounted so severely, it has closed off certain avenues for raising capital and made others far more expensive. The result will be a decline in mergers and acquisitions and a restructuring of some deals already in the works. The impact on the private system market still is unknown, although the events of the past few weeks cannot help but call into question values

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MSOs/Programmers	52 Week High	Closing Quote 10/19	Percent Change
Acton	26.50	14.80	47.17
Adams-Russell	43.00	39.38	8.43
Adelphia Comm.	22.75	16.75	26.37
American Cablesystems*	43.13	*	—
American Tele. & Comm.	29.63	20.88	29.53
Cablevision Systems (a)	32.25	26.63	23.63
Centel	75.50	53.88	28.64
Century Communications	21.75	16.00	26.44
Comcast	27.13	20.75	23.52
Disney	82.50	46.00	44.24
Essex Comm. Network	26.25	78.06	25.77
FNN (L)	14.50	6.75	53.45
HSN (L)	47.60	7.88	83.23
Jones Intercable	16.50	11.38	31.03
MCA	66.50	38.75	39.92
Multimedia	74.50	68.08	19.46
New York Times (L)	49.63	29.50	40.56
Playboy Enterprises	16.38	10.36	33.58
QVC (L)	26.00	6.75	74.04
Reeves Comm.	13.88	8.75	36.96
Rogers Cable Amer.	23.88	19.50	18.34
TCA Cable TV	38.25	23.50	22.31
Tele-Communications	30.25	18.50	38.84
Tempo Enterprises (L)	13.38	5.75	57.03
Time Inc.	116.88	81.00	30.70
Times Mirror	105.88	68.00	36.78
Tribune Co.	49.75	36.25	39.20
Turner Broadcasting	13.50	12.60	11.11
United Artists	30.38	23.25	23.47
United Cable TV	26.00	21.00	21.88
Service/Financial Companies			
Capital Cities	450.00	356.00	20.89
Gulf & Western	93.50	63.75	31.82
Manufacturers/Distributors			
Augat	20.63	19.00	33.64
Avantek (L)	19.25	9.75	49.35
Cable TV Ind.	3.00	2.63	12.33
C-Cor Electronics (L)	12.25	5.75	53.06
General Instrument	47.38	29.38	37.99
Morris Corp.	42.75	27.75	35.89
M/A-Com	16.38	10.00	38.95
Microdyne	4.63	3.75	19.01
Oak Industries	2.00	1.13	43.75
Pico Products	9.00	4.50	50.00
Pioneer Electronics	45.25	37.00	18.23
Regency Electronics (L)	8.13	4.50	44.65
RMS Electronics	3.75	2.38	36.53
Scientific-Atlanta	20.25	9.75	51.85
Tektronix	43.25	31.25	27.75
Wavetek	10.88	8.50	21.88

*Stock was not quoted this day

September, 1987
This notice appears as a matter of record only.

SOLD

Certain Assets of
Cable Arizona Corporation
Serving Davis-Monthan Air Force Base

Sale represents 1,725 basic subscribers.

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in that market as well.

In comparison to the rest of the market, cable initially did not fare any worse or better. The Dow Jones industrial average fell 36 percent from its Aug. 25 high of 2722 to 1739 Oct. 19. By the end of that historic day, cable MSO and programmer public stock prices also had lost an average 35 percent of the value attained this past summer.

But on Oct. 26 when the over-the-counter market, where many cable stocks are traded, suffered an additional 9 percent selloff, those stocks scraped bottom. Setting new lows on that day were Cablevision Systems, which fell 50 percent from its high to hit $16, and Jones Intercable, which fell to $9 from a high of $16.50.

Some of the hardest hit stocks in recent weeks have also been some of the industry's biggest companies. TCI was trading at $18.50 on Black Monday, off almost 39 percent from its split-adjusted high of $30.25. The next day, when many of the over-the-counter stocks suffered even more than New York and American Exchange issues, TCI fell another $1.12 to $17.375.

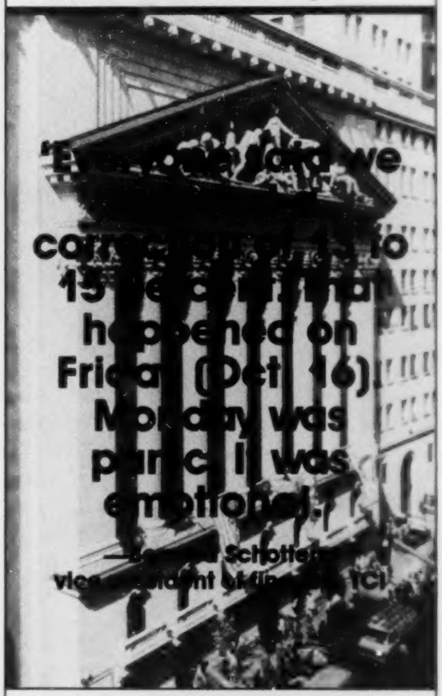
Viacom fell more than 40 percent in value from a high of $28.50 set just weeks before to $17 Oct. 19. The next day it plunged another 7 percent to close at $15.75, and by Oct. 26, it was trading 58 percent off its high at $12 a share. Warner Communications, which often has been discussed as a candidate for restructuring and has posted strong financial results in recent quarters, fell almost 50 percent from a high of $39.25 set during the summer to $19.63.

Companies with perceived strong balance sheets fared better. ATC was off 29.5 percent from a high of $29.63 to a low of $20.88. Like so many cable stocks, however, it fell again the day after the crash to $18.875. Comcast was off 23.5 percent Oct. 19, down to $20.75.

Some of the biggest losers were companies with interests in programming. Home Shopping Network closed at $7.88 on Black Monday, an 83 percent drop from its high of $47. QVC, another home shopping service, lost 74 percent of its value. Turner Broadcasting, however, fared well, losing just 11 percent of its value. The amount of publicly-held shares in Turner is extremely small.

Not surprisingly, takeover stocks fared better than the norm. While American Cablesystems stopped trading for part of the week, on Oct. 22 it was off just 11 percent from its highs. Adams-Russell, under contract for acquisition by Cablevision Systems, was down just 8 percent on Black Monday. United Cable, which was supposed to be merged into United Artists Communications, was down about 22 percent. The deal was called off the day after Wall Street's debacle (see related story). However, in subsequent trading Oct. 26, American Cablesystems fell to $34 a share and Adams-Russell was down to $36.625.

"Everyone said we needed a correction of 13 to 15 percent," notes Bernard Schotters, vice president-finance at TCI. "That happened on Friday (Oct. 16). Monday was panic. It was emotional," he says.



"Everyone said we needed a correction of 13 to 15 percent. That happened on Friday (Oct. 16). Monday was panic. It was emotional."

—Bernard Schotters, vice president of finance, TCI

If the Dow Jones industrial average stays at about 2000, notes one investment banker, that would be a decline of 25 percent from its August high. "That doesn't seem unreasonable," he says. However, the market has fallen more than that in recent days.

Paul Marsh, media analyst for Fahnestock & Co., attributes cable's poor performance to the over-the-counter market. "No company in that bailiwick has avoided (taking a dive). It's more a function of being in the OTC than the inherent values in the stocks themselves," he says. As Mark Riely notes, the American and New York Stock Exchange markets "are more organized" than the OTC, and those companies without earnings visibility got hit especially hard. At least cable companies are establishing a basis for their stocks as a result of the buyback programs, say these analysts.

'Financial markets are dead'

The most immediate effect of the decline in public shareholder values has been the closing off of both the equity and public bond markets to cable operators. "The financial markets are dead," Steven Rattner said two days after the big selloff. Issuing public debt or equity "is very difficult and will continue to be until the markets get a sense of where things are going," TCI's Schotters said.

Obviously, the market for public equities, and securities with equity features, as a forum for raising capital has been foreclosed. "We're telling people to lay low right now," says Alan Stein, executive director of Montgomery Securities, which has helped underwrite many new stock issues. "The big question is when will it (the market) stabilize. You know you've had a tremendous shock here," he says.

Because few cable companies have issued stock in recent months the impact of the constriction in this part of the capital market is minimal. Securities such as convertible debentures, however, which have been used by many large MSOs recently, are not considered feasible at this time.

Even more serious for the industry's ability to raise capital has been the performance of the junk bond market in recent weeks. According to industry executives and investment bankers, that market now is closed for all intents and purposes to new issuers of debt. Despite the strength of the corporate bond market for companies with investment grade ratings, the same has not been true for companies that must issue debt in the junk bond market.

Wall Street sources point to Storer Communications' issuance of $400 million in public debt as evidence of the difficulty and expense entailed in going to the junk bond market. The debt was issued as part of the sale of a portion of the company's broadcast properties to the Gillett Group. The three issues pay interest rates of between 15.5 percent and 17.5 percent. "It took an immense amount of effort" to get that deal done, said one Wall Street source.

According to Mike Marocco, associate at Morgan Stanley, cable issues that were trading in the high 11 percent yield level are now trading in the mid-13 percent level. Intermediate credits are now averaging 14 percent yields

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whereas a few weeks ago they were trading in the mid-12 percent range, while the poorest credits now offer 15 percent yields whereas they used to trade in the low 13 percent range. The interest payments are the same for the companies that issue the bonds, but prices on the bonds have declined, along with the stock market, thereby promising holders higher returns.

Wall Street sources blame the junk bond market's difficulties on the flight to quality in all financial instruments. The result has been that even as interest rates have declined—the prime dropped from 9 and ¾ percent to 9 percent late last week, junk bonds have continued to trade like equities, with a perceived higher rate of risk and higher rates of return.

Mergers Imperiled

The foreclosure of the junk bond market will have a significant impact on mergers and acquisitions in cable. While many larger MSOs have bank lines of credit they can tap to close large transactions, there are several other buyers in the market who are highly reliant on junk bond financings for such large purchases. Combined with the decline in equity values, these buyers could be forced out of the market.

"This will take out the marginal buyers like (Robert) Bass and (Jack Kent) Cooke," says one investment banker. "They try to finance most of their deals with just 10 to 15 percent equity," this source says. If that equity is worth less today and the junk bond market is out of reach, these buyers will have to put up more equity or reevaluate their purchases.

As one banker notes, "Given the conditions in the junk bond market, (M&A activity) will slow down. It will be difficult to do a big deal relying on the public markets."

That already has occurred in several industries. Carl Icahn called off his proposed leveraged buyout of TWA. Jardine Holdings pulled back from a proposed offer to acquire 20 percent of Bear, Stearns, and Dart walked away from an effort to acquire Dayton Hudson.

Within the cable industry, United Artists Communications and United Cable Television called off their proposed merger, and Storer Communications temporarily put its deal on hold as a result of market dislocation and questions about new tax legislation in Congress. Apparently, however, talks later resumed between KKR and a potential new acquirer.

Investment bankers say they would be surprised if most deals without a signed commitment were not subject to restructuring as a result of recent weeks' events. "They should throw a deal like (Storer) into jeopardy," said one investment banker. Reportedly, Star Cablevision's agreement to purchase North American Communications is under negotiation.

Investors also appeared to lose faith in the likelihood that transactions that already have been announced will be carried through. American Cablesystems was trading at $34 a share Oct. 26 when Continental Cablevision had agreed to pay $46.50 for the company. Adams-Russell was trading at $36.625 that day despite an agreement with Cablevision Systems to be bought for $43.075 a share.

Those transactions are expected to go through at their agreed upon prices. Tim Neher, president of Continental Cablevision, says "there is no change" in the Continental offer for American. "We'll go forward with the transaction. The price was determined by private market values and the operating fundamentals of (American's) business" have not changed, he notes.

Significantly, financing for both the Continental and Cablevision deals will consist primarily of bank, or private, debt. With interest rates falling and lenders expressing continued confidence in the industry's fundamental business, those lines of financing are expected to continue to be readily available to the industry. "I don't see anything to suggest that lenders will pull back," notes Phil Hogue, president of investment banking for Daniels & Associates. "There is not a high likelihood that the (interest) rate structure will rise" in the short term, he says.

The primary effect of the stock market plunge, says Neher, has been to send money into the system and interest rates down. "The economics of the deal are better" than ever, he indicates.

The extent to which large MSOs and other buyers with large lines of credit continue to feed the market for mergers and acquisitions will have much to do with their perception of values. While most cable executives are confident about the intrinsic worth of their companies, the market's plunge has forced them to question whether or not there has been a fundamental shift in cable valuation, note industry veterans and observers alike. Indications are they will wait on the sidelines until the markets sort themselves out.

"It's not a matter of enough money," says TCI's Schotters, "it's a question of what is the value today?" TCI buys properties on the basis of their discounted value of cash flow. "There may be some change" in that value, he said.

The result of such hesitation on the part of a major purchaser such as TCI is likely to be a lessening of upward pressure on prices. Riely notes that with major MSOs able to pick up their own subscribers at significant discounts by buying back their stock, there will be less pressure on them to buy subscribers in the private market at $2,000 each. While large systems with strategic value will continue to command premium prices, many industry observers are predicting that the market will begin to discriminate more between properties.

Despite concerns about the public market and its potential for influencing private market prices, most brokers express confidence in the continued strength of the private system market. "We're used to 50 to 60 percent discounts in the public markets anyway," notes Jay Bush, senior vice president at Daniels & Associates. "The public market has never really directly affected the private market." Notes John Waller, "the price (of a cable company) is not what the public market is, it is what people are willing to pay."

According to Rick Patterson, vice president at Waller Capital, "Of the deals in our shop, not one is changing one iota."

With interest rates headed down, the financing scenarios look even more attractive, note the brokers, and there

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is no reason to think that multiples will change in the future. "I don't see any immediate reason for revaluing the underlying assets of the business," says Bush.

The key in the future will be whether or not there is as much money chasing cable deals as there has been in the past.

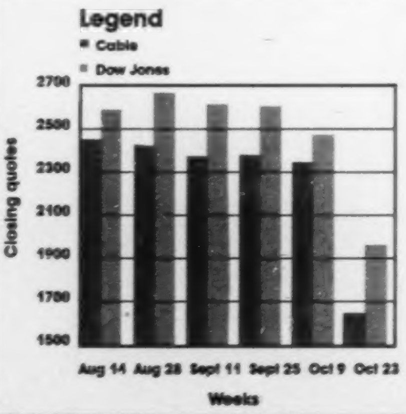
While industry executives and brokers express confidence in the fundamentals of the business, most analysts note that cable stocks are not likely to recover quickly from the shock they've received in recent weeks. As has traditionally been the case, stocks of companies without earnings visibility have been slower to recover than those with earnings. "My guess is that they will make their lows and bounce around there for a while... until things straighten out," predicts one analyst.

However, over the long term, Wall Street sources express continued confidence in these issues. "I'm generally optimistic," says Marsh. "Twenty-two dollars per subscriber a month is pretty good," he says. "Cable is recession-resistent."

Unfortunately, that truism may be sorely tested in coming months.

As far as the financial markets are concerned, Schotters notes, "there has been a huge reaction" to the market's plunge. But, what that means for mergers and acquisitions and for future valuation of companies and their stocks is not clear. The one thing that is known is that as far as cable companies are concerned, the public markets right now have come to a halt. ■

CableVision Stock Index



STOCK MARKET

EXCH	COMPANY	CLOSING QUOTE 10/09/87	CLOSING QUOTE 10/23/87	NET CHANGE IN PERIOD	PERCENT CHANGE IN PERIOD	P/E RATIO	ANNUAL DIV	ANNUAL YLD%	EARNINGS PER SHARE	52 WEEK HIGH	52 WEEK LOW
MSOs & PROGRAMMERS											
ASE	ACTON	20.00	13.25	-6.75	-33.75	5	0.00	—	2.90	26.50	7.50
ASE	ADAMS RUSSEL(H)	42.25	38.75	-3.50	-8.28	646	0.00	—	0.06	43.00	18.38
OTC	ADELPHIA COMM.(L)	19.00	13.75	-5.25	-27.63	—	0.00	—	d	22.75	13.75
OTC	AEL IND (cl a)(L)	14.00	10.25	-3.75	-26.79	10	0.00	—	1.06	15.25	9.75
ASE	AMERICAN CABLESYSTEMS*(H)	27.88	37.75	9.87	35.40	—	0.00	—	d	43.13	12.50
OTC	AMERICAN TELE & COMM.	25.13	21.50	-3.63	-14.44	72	0.00	—	0.30	29.63	14.50
ASE	CABLEVISION SYS (a)	31.00	21.25	-9.75	-31.45	—	0.00	—	d	32.25	18.75
NYS	CENTEL(L)	66.00	55.00	-11.00	-16.67	14	2.58	4.69	3.80	75.50	50.00
OTC	CENTURY COMMUNICATIONS	17.75	12.50	-5.25	-29.58	—	0.00	—	d	21.75	9.50
OTC	COMCAST	25.25	18.38	-6.87	-27.21	—	0.12	0.65	d	27.13	16.63
NYS	DISNEY	73.75	52.50	-21.25	-28.81	18	0.32	0.61	2.84	82.50	39.63
OTC	ESSEX COMM. NETWORK	22.75	15.75	-7.00	-30.77	—	0.00	—	d	24.25	8.00
OTC	FINANCIAL NEWS NET.(L)	9.88	5.63	-4.25	-43.02	35	0.00	—	0.16	16.00	5.50
ASE	HOME SHOPPING NETWORK(L)	11.63	6.63	-5.00	-42.99	20	0.00	—	0.33	47.00	5.00
OTC	J2 COMMUNICATIONS	3.50	2.50	-1.00	-28.57	—	0.00	—	d	5.00	1.75
OTC	JONES INTERCABLE(L)	13.75	10.00	-3.75	-27.27	22	0.00	—	0.46	16.50	10.00
NYS	MCA(L)	54.63	38.13	-16.50	-30.20	21	0.68	1.78	1.78	64.50	32.00
ASE	LORIMAR-TELEPICTURES(L)	15.00	8.25	-6.75	-45.00	—	0.00	—	d	23.50	8.25
OTC	MULTIMEDIA	69.75	47.50	-22.25	-31.90	4750	0.00	—	0.01	74.50	40.50
ASE	NEW YORK TIMES(L)	40.88	31.50	-9.38	-22.95	17	0.44	1.40	1.87	49.63	28.25
OTC	NORTH AMER. COMM.	28.88	24.00	-4.88	-16.90	—	0.00	—	d	29.38	8.50
NYS	PLAYBOY ENTERPRISES	13.88	10.75	-3.13	-22.55	15	0.00	—	0.74	16.38	8.38
OTC	QVC(L)	8.88	5.38	-3.50	-39.41	—	0.00	—	d	26.00	5.38
OTC	REEVES COMMUNICATION(L)	11.38	6.25	-5.13	-45.08	14	0.00	—	0.45	13.00	5.38
OTC	ROGERS COMMUNICATION	25.13	19.00	-6.13	-24.39	—	0.00	—	d	27.50	15.75
OTC	ROGERS CABLE AMER.	23.63	16.13	-7.50	-31.74	—	0.00	—	d	23.88	10.50
OTC	TCA CABLE TV	27.25	23.13	-4.12	-15.12	48	0.24	1.04	0.48	30.25	16.50
OTC	TELE-COMMUNICATIONS	23.88	20.13	-3.75	-15.70	39	0.00	—	0.52	30.25	14.88
ASE	TEMPO ENTERPRISES(L)	6.50	5.00	-1.50	-23.08	10	0.16	3.20	0.49	15.63	4.63
NYS	TIME INC.	101.13	82.00	-19.13	-18.92	23	1.00	1.22	3.53	116.88	68.63
NYS	TIMES MIRROR	99.63	74.13	-25.50	-25.59	15	1.64	2.21	4.80	105.88	60.00
NYS	TRIBUNE CO.	46.25	36.63	-9.62	-20.80	24	0.60	1.64	1.52	49.75	28.38
ASE	TURNER BROADCASTING	12.50	11.88	-0.62	-4.96	—	0.00	—	d	13.50	6.25
OTC	UNITED ARTISTS	26.50	18.50	-8.00	-30.19	—	0.00	—	d	30.38	15.50
NYs	UNITED CABLE TV	25.00	25.00	0.00	0.00	—	0.08	0.32	d	26.88	16.50
ASE	VIACOM(L)	26.75	16.00	-10.75	-40.19	—	0.00	—	d	28.50	11.50
NYS	WARNER COMM.(L)	36.00	25.25	-10.75	-29.86	14	0.40	1.58	1.75	39.25	17.50
SERVICE & FINANCIAL COMPANIES											
OTC	BURNUP & SIMS	6.88	5.38	-1.50	-21.80	11	0.00	—	0.48	7.63	3.38
NYS	CAPITAL CITIES	424.63	336.50	-88.13	-20.75	24	0.20	0.06	14.28	450.00	250.50
NYS	GULF & WESTERN(L)	86.00	64.00	22.00	-25.58	14	1.20	1.88	4.70	93.50	59.25
MANUFACTURERS & DISTRIBUTORS											
OTC	AM COMMUNICATION(L)	1.00	0.69	-0.31	-31.00	—	0.00	—	d	3.00	0.69
OTC	ARTEL	2.50	1.88	-0.62	-24.80	—	0.00	—	d	4.75	1.75
NYS	ARVIN(L)	28.50	20.00	-8.50	-29.82	8	0.68	3.40	2.60	39.75	19.00
NYS	AUGAT(L)	25.75	14.25	-11.50	-44.66	—	0.40	2.81	d	28.63	13.75
OTC	AVANTEK(L)	13.38	8.88	-4.50	-33.63	17	0.00	—	0.52	19.25	9.13
OTC	CABLE TV IND.	2.50	1.88	-0.62	-24.80	—	0.00	—	d	3.00	1.63
OTC	C-COR ELECTRONICS(L)	8.75	5.63	-3.12	-35.66	14	0.00	—	0.39	12.25	5.00
OTC	COMPACT VIDEO(L)	4.25	2.63	-1.62	-38.12	—	0.00	—	d	6.63	2.50
NYS	CONTEL CORP.(L)	36.38	30.13	-6.25	-17.18	11	2.00	6.64	2.64	39.50	25.00
OTC	DATAVISION(L)	1.75	1.13	-0.63	-35.71	—	0.00	—	d	4.50	0.75
OTC	GANDALF TECH.(L)	7.94	5.88	-2.06	-25.94	9	0.00	—	0.62	10.63	4.75
NYS	GENERAL INSTRUMENT	42.13	23.88	-18.25	-43.32	—	0.25	1.05	d	47.38	15.88
OTC	GRAPHIC SCANNING(L)	8.38	5.13	-3.26	-38.84	4	0.00	—	1.15	15.00	4.75
NYS	HARRIS CORP.(L)	38.13	26.50	-11.63	-30.50	12	0.88	3.32	2.13	42.75	24.00
NYS	M/A-COM(L)	13.00	9.00	-4.00	-30.77	5	0.24	2.67	1.75	16.38	8.63
OTC	MICRODYNE(L)	4.13	2.88	-1.25	-30.18	—	0.06	2.08	d	4.63	2.88
NYS	NORTH AMER. PHILIPS	55.75	55.50	-0.25	-0.45	23	1.00	1.80	2.40	55.75	37.00
NYS	OAK INDUSTRIES	1.63	1.13	-0.50	-30.98	—	0.00	—	d	2.00	0.75
ASE	PICO PRODUCTS	6.63	4.63	-2.00	-30.17	42	0.00	—	0.11	9.00	1.63
NYS	PIONEER ELECTRONICS	42.50	31.50	-11.00	-25.88	43	0.13	0.41	0.74	45.25	22.25
OTC	RADIATION SYSTEMS(L)	12.50	8.50	-4.00	-32.00	15	0.00	—	0.56	14.00	7.63
OTC	REGENCY ELECTRONICS(L)	6.00	4.25	-1.75	-29.17	—	0.20	4.71	d	8.13	4.25
ASE	RMS INTERNATIONAL	2.63	2.00	-0.63	-23.95	—	0.00	—	d	3.75	1.00
NYS	SCIENTIFIC-ATLANTA	14.75	10.63	-4.12	-27.93	10	0.12	1.13	1.04	20.25	8.88
OTC	SIGMAFORM(L)	4.75	3.25	-1.50	-31.58	18	0.00	—	0.18	6.25	3.25
OTC	TECH COMM. INT'L.	22.75	16.50	-6.25	-27.47	12	0.00	—	1.39	23.75	13.50
NYS	TEKTRONIX(L)	34.38	27.50	-6.88	-20.01	28	0.60	2.18	1.00	43.25	27.50
NYS	VARIAN ASSOCIATES(L)	36.75	24.25	-12.50	-34.01	121	0.26	1.07	0.20	39.75	20.00
OTC	WAVETEK	10.63	8.38	-2.24	-21.13	21	0.00	—	0.40	10.88	6.75

MARKET DIARY:

ADVANCES	1
DECLINES	67
UNCHANGED	1
NEW HIGHS	2
NEW LOWS	33

LARGEST DOLLAR GAINER....American Cablesystems*(H)	+$9.87
LARGEST DOLLAR LOSER....Capital Cities	−$88.13
LARGEST PERCENTAGE GAINER.American Cablesystems*(H)	+35.40%
LARGEST PERCENTAGE LOSER....Reeves Communication	−45.08%

(H) = NEW HIGH IN PERIOD
(L) = NEW LOW IN PERIOD
(d) = DEFICIT
(s) = reflects stock split

ALL OTC QUOTES ARE REPRESENTED BY THE BID PRICE

Provided by David J. Siegel, Kidder, Peabody & Co., Inc. (212)309-3138, (800)223-1874. The information contained in this report has been taken from trade and statistical services and other sources which we deem reliable. We do not represent that it is accurate or complete. The information is subject to change.

* Kidder, Peabody & Co. Incorporated was manager or co-manager of a public offering of this issuer or one of its subsidiaries.

CABLE STATS

Subscriber Count

Satellite national services

ACTS Satellite Network	325	6,000,000
Alternate View Network	238	2,770,000
America's Value Network	212	4,150,000
Arts & Entertainment (A&E)	2,400	27,000,000
Black Entertainment Television (BET)	912	17,000,000
CBN Cable Network	7,710	36,708,000
C-SPAN	2,600	31,000,000
C-SPAN II	420	11,600,000
Cable News Network (CNN)	11,423	41,642,000
Cable Value Network	150	19,000,000
Consumer Discount Network	68	550,000
Country Music Television	520	6,750,000
The Discovery Channel	2,400	24,848,000
ESPN	17,000	43,700,000
Eternal Word Television Network (EWTN)	373	6,800,000
The Fashion Channel	500	6,500,000
Financial News Network (FNN)	1,690	26,700,000
FNN/Score	1,080	19,800,000
FNN/TelShop	700	11,100,000
GalaVision	288	900,000
Gospel Music Network	31	744,447
Headline News	3,452	28,352,000
Hit Video USA	160	2,100,000
Home Shopping Network	1,108	15,200,000
Home Shopping Network 2	260	5,800,000
International Television Network	56	7,868,900
The Inspirational Network	1,083	10,747,700
The Learning Channel	900	10,340,253
Liberty Broadcasting Network	39	1,049,218
Lifetime	3,500	34,000,000
The Motivation Network	24	450,000
Movietime	56	2,000,000
Music Television (MTV)	4,340	37,100,000
The Nashville Network	5,200	35,000,000
National Jewish Television (NJTV)	295	6,800,000
National Shopping Club	65	1,500,000
Nick At Night	3,862	31,000,000
Nickelodeon	5,430	35,800,000
The Nostalgia Channel	150	1,400,000
QVC Network	731	10,394,159
Shop Television Network	60	2,400,000
Silent Network	300	9,500,000
Tempo Television	650	12,500,000
The Travel Channel	190	5,550,000
Trinity Broadcasting Network	523	7,037,000
USA Network	9,200	39,000,000
Video Hits One (VH-1)	1,460	22,900,000
Video Shopping Mall	600	14,000,000
The Weather Channel	2,850	31,053,000
WGN-TV	10,422	22,481,204
WOR-TV	2,212	9,464,548
WPIX-TV	396	2,470,564
WTBS-TV	12,399	41,642,000

Pay services

American Movie Classics	1,200	7,000,000
Bravo	350	500,000
Cinemax	3,650	4,100,000
The Disney Channel	4,300	3,175,000
Festival	N/A	N/A
Home Box Office (HBO)	6,700	15,000,000
The Movie Channel	3,250	3,250,000
The Playboy Channel	600	550,000
Showtime	3,200	5,400,000

Audio services

Cable Radio Network	32	738,000
KKGO Super Jazz	16	146,533
Moody Bible Institute	62	931,528
Satellite Radio Network	251	740,000
Seeburg Lifestyle Music	142	2,576,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	107	350,000
WFMT Chicago	182	1,399,125

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP Business Watch	20	500,000
AP News Plus	75	2,100,000
Cable SportsTracker	40	2,353,322
DBC/MarketWatch	240	5,000,000
Electronic Program Guide (EPG)	315	7,109,080
EPG Jr.	145	157,330
Genesis Cable Storytime	35	1,350,000
Reuters News View	127	2,437,000
TV Decisions	170	6,300,000
UPI Data Cable	450	4,000,000
X*Press	60	1,000
X*Press Exchange	200	1,000,006

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Auto Showcase	5	400,000
Cable Video Entertainment	205	15,500,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,660
Telaction	N/A	N/A
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	156,000
Bay Area Religious Channel (BARC)	6	113,000
Buffalo Sabres Hockey	9	400,000
Cable TV Network of New Jersey	34	1,369,829
The Ecumenical Channel	12	170,000
KTVT	234	1,891,170
Life Newsvision	35	50,000
Madison Square Garden	93	2,120,000
Meadows Racing Network	15	600,000
News 12 Long Island	7	500,000
Prime Cable	8	330,709
Prime Ticket	30	1,600,000
SportsVision (Chicago)	45	939,400

Pay services

Home Sports Entertainment—Houston/Dallas	140	450,000
Home Team Sports	100	748,000
New England Sports Network	152	210,370
PRISM-Philadelphia	86	396,578
Pro-Am Sports	140	301,000
SportsChannel (Florida)	2	45,000
SportsChannel (New England)	142	730,000
SportsChannel (New York)	77	842,000
Z Channel	21	84,000

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention Cable Stats, P.O. Box 5208-T.A., Denver, CO 80217.
N/A denotes information not available.
TBA denotes to be announced.

Announced services

Satellite-fed services	Expected launch
Americana Network	2nd Quarter 1988
El Canal Musical	4th Quarter 1987
International Cablecasting's Cable Radio Network	1st Quarter 1988
Pay-Per-View Network	12/87
Pay-Per-View Partners	4th Quarter 1987
The Preview Network	4th Quarter 1987
Teleworld Network Television	5/88
Tunnelvision	11/87
Tuxxedo Network	12/87
World Travel Network	4th Quarter 1987
You TV	1/88

C4722-2
11/25/87

NOVEMBER 23, 1987

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

TCI PICKS UP THE TEMPO

BASS GOING FISHING FOR SYSTEMS

TELCOS TELL IT STRAIGHT: THEY WANT IN CABLE

MAJOR PLAYERS SHARE POST-CRASH STRATEGIES

A PLEA FOR UNDERSTANDING ON CHANNEL SHIFTS

NICKELODEON FINDS A KEEPER WITH REALITY-BASED KID SHOWS

*********MIXED CTY 20814
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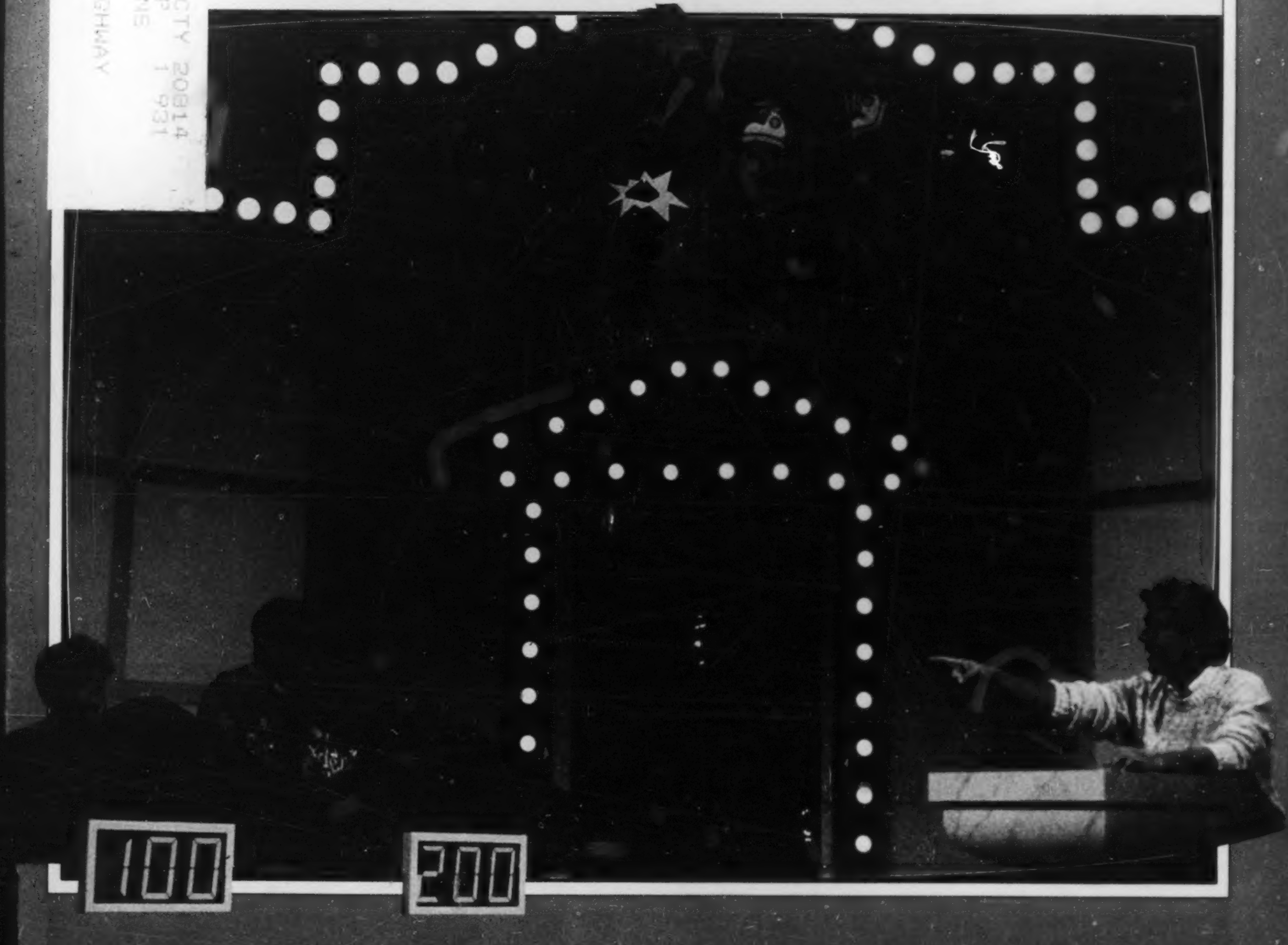
BETHESDA MD 20814



CableVision

FRONT LINE

TCI buys Tempo 12
Further integrating itself into programming and the backyard dish business, Tele-Communications Inc. buys Tempo Enterprises in a deal valued at $61 million.

USA buys *Miami Vice* 16
In what is described as a first for a basic network, USA buys *Miami Vice*, the popular NBC show, and at the same time announces it will air many of the *Hitchhiker* episodes from HBO.

Exploring European TV 18
Much is happening in television on the Continent that may create opportunities for American vendors and programmers, correspondent Fred Dawson writes in a preview of a series of major upcoming stories.

New FCC commissioner 20
Some say he's a clone of Chairman Dennis Patrick, but others wonder if Bradley Holmes isn't his own man who could become an FCC swing vote.

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A little communication and an appreciation of the other guy's situation would go a long way to resolving—even preventing—most disputes over channel repositioning, writes an executive who sees both sides of the problem.

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Bills advance in Congress that would allow states and cities to collect sales and use taxes on cable home shopping transactions. HSN says the idea is unworkable.

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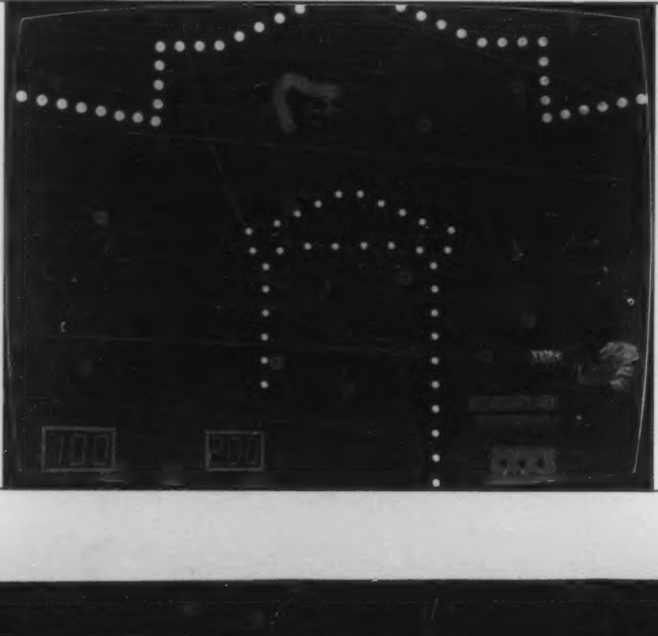
New tactics for a down market 74
There are more opportunities to ride out—even profit—from the post-crash market than buying Rolaids stock, as we learn from canvassing cable's smart moneymen. Compare their strategies to your own.



COVER STORY

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Nickelodeon is sparking a quiet revolution in children's programming with its new reality-based participatory shows, *Double Dare* and *Finders Keepers*. Besides spawning imitators, it's possible the shows will reverse usual syndication patterns.
—Photo by Candace Drake

BETWEEN THE LINES

Loss of experienced lobbyists sap NCTA

Every industry in America is affected by decisions made in Washington, but few are affected as quickly and completely as cable television. The political process that leads to federal policy is the result of a delicate balancing of competing interests—or, perhaps more accurately in regard to communications policy, a balancing of competitors' interests. For this reason, the fortunes and future of the cable industry are tied inextricably to its Washington representatives.

That's a heavy load to carry. But it is one that has been shouldered well by a handful of people at the National Cable Television Association who have led the industry through a string of victories unmatched by anyone in communications and with few parallels anywhere. In fact, these individuals have been so consistent in their performance and the victories so regular that the industry has become jaded.

In this decade the cable industry has gone from one that wanted to win its Washington battles to one that deserved to win to one that now expects to win. In politics, that's a formula for defeat.

That attitude, coupled with recent changes in the top lobbying positions at NCTA, gave us pause and prompted a long look at how the trade association has been able to do what it has done, and whether it can continue its winning streak. *Conclusion No. 1:* Jim Mooney had assembled a team of first-rate, experienced professionals, each one with unique strengths, that truly produced a whole greater than the sum of its parts. *Conclusion No. 2:* Mooney now is assembling a new lobbying team with untested abilities at a crucial time in the industry's evolution.

Mooney's track record of accomplishing the cable industry's political agenda is well documented and need not be recounted here. Further, he is supported by a board of directors and executive committee that sets goals, then steps back and leaves the political strategy and tactics to his expertise. That alone would distinguish NCTA from its Washington rivals, but there is more, because Mooney alone cannot shoulder cable's lobbying load.

After Mooney determines what is to be done, it falls on the executive vice president, the government relations vice president, the legislative counsel and their lobbyists to go to Congress and do it. But when the second session of the 100th Congress convenes—a session that could shape the cable industry well into the 1990s—NCTA will have two new players on its lobbying team.

Bert Carp, the departed executive vice president, brought White House experience to the job and displayed admirable skills, particularly in leading the cable industry through the overhaul of the tax code. And now we learn that Edward Merlis, who has headed the Government Relations Department for more than four years and who has been cable's point man on the Hill, is departing to become president of home shopping company Telaction.

Merlis was a key staff aide for a number of Senate committees, including the important Commerce Committee, for almost a decade. Merlis, Legislative Counsel Douglas Watts and NCTA's other lobbyists have earned the friendship and respect of the decision makers on the Hill. These people genuinely like each other, and the chemistry has paid off for cable.

It is said that the mark of a great chess player is the ability to see three moves ahead and to plan strategy accordingly. A similar form of vision has been demonstrated by NCTA's lobbyists. For example, wording that was little-noticed in the Cable Act of 1984 may well bar reimposition of syndicated exclusivity in 1988.

Merlis' departure comes at a critical time. The industry is under siege on many fronts and is poised to take a fall on something. His stature among members of Congress has been especially valuable and will be sorely missed. The heavy load on Mooney, new No. 2 Decker Anstrom, Watts, and the rest of NCTA has just gotten heavier.

—Steve Tuttle
Executive Editor

CableVision

William McGorry
Publisher
Steve Tuttle
Executive Editor

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November 23, 1987
Volume 12, Number 31

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. Nov. 23, 1987, Volume 12, Number 31. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Denver, Colo. POSTMASTER: Please send address changes to, *CableVision*, P.O. Box 5208-TA, Denver, Colorado 80217.

ABP BPA

Pay-Per-View Supply Chart

December

Source

Amazing Grace and Chuck (12/1) — **Tri-Star**
MPAA Rating: PG Running Time: 115 mins.
Cast: Jamie Lee Curtis, Gregory Peck, William L.Peterson.

Beyond Therapy (12/3) — **HBO Enterprises**
MPAA Rating: R Running Time: 93 mins.
Cast: Jeff Goldblum, Tom Conti, Glenda Jackson.

Danger Zone (12/1) — **Skouras**
MPAA Rating: NR Running Time: 89 mins.
Cast: Jason Williams, Robert Canada.

The Gate (12/15) — **New Century/Vista**
MPAA Rating: PG-13 Running Time: 87 mins.,40 secs.
Cast: Stephen Dorff, Louis Tripp, Christa Denton.

Harry and the Hendersons (12/24) — **Universal**
MPAA Rating: PG Running Time: 111 mins.
Cast: John Lithgow, Melinda Dillon, Don Ameche.

House II (12/31) — **HBO Enterprises**
MPAA Rating: PG-13 Running Time: 85 mins.
Cast: Jonathan Stark, Ayre Gross, John Rattcenberger.

Million Dollar Mystery (12/12) — **HBO Enterprises**
MPAA Rating: PG Running Time: 95 mins.
Cast: Tom Bosley, Rich Hall.

Necropolis (12/23) — **Vestron**
MPAA Rating: R Running Time: 77 mins.
Cast: LeeAnne Baker,Jacquie Fitz, Micheal Conti.

Nightmare on Elm Street 3,Dream Warriors (12/24) — **Universal**
MPAA Rating: R Running Time: 97 mins.
Cast: Nancy Thompson, Kristen Parker, Max.

Outrageous Fortune (12/3) — **Touchstone Pictures**
MPAA Rating: R Running Time: 99 mins.
Cast: Shelley Long, Bette Midler, Peter Coyote, George Carlin.

Personal Services (12/23) — **Vestron**
MPAA Rating: R Running Time: 104 mins.
Cast: Julie Walters, Alex McCowan.

River's Edge (12/1) — **HBO Enterprises**
MPAA Rating: R Running Time: 99 mins.
Cast: Dennis Hopper, Cristin Glover. Roxana Zal.

Roxanne (12/3) — **Columbia**
MPAA Rating: PG Running Time: 107 mins.
Cast: Steve Martin, Daryl Hannah.

Summer School (12/23) — **Paramount**
MPAA Rating: PG-13 Running Time: 98 mins.
Cast: Mark Harmon Kirstie Alley.

Who's That Girl (12/30) — **Warner Bros.**
MPAA Rating: PG Running Time: 92 mins.
Cast: Madonna, Griffin Dunne, Haviland Morris.

Wimps (12/11) — **Vestron**
MPAA Rating: R Running Time: 94 mins.
Cast: Louie Bonanno, Deborah Blaisdell, Jim Abele.

January

Source

The Believers (1/6) — **Orion**
MPAA Rating: R Running Time: 114 mins.
Cast: Martin Sheen, Helen Shaver, Robert Loggia.

Blood Diner (1/16) — **Vestron**
MPAA Rating: NR Running Time: 95 mins.
Cast: Carl Crew, Richard Berks, Rodger Dauer.

Campus Man (1/9) — **Paramount**
MPAA Rating: PG Running Time: 94 mins.
Cast: John Dye, Steve Lyon, Kim Delaney, Morgan Fairchild.

Dragnet '87 (1/14) — **Universal**
MPAA Rating: PG-13 Running Time: 106 mins.
Cast: Dan Aykroyd, Tom Hanks, Christopher Plummer.

La Bamba (1/21) — **Columbia**
MPAA Rating: PG-13 Running Time: 111 mins.
Cast: Esai Morales, Rosana DeSoto, Elizabeth Pena.

Secret of My Success (1/1) — **Universal**
MPAA Rating : PG-13 Running Time: 110 mins.
Cast: Micheal J. Fox, Helen Slater, Richard Jordan.

Shadey (1/1) — **Skouras**
MPAA Rating: PG-13 Running Time: 90 mins.
Cast: Katherine Helmond, Patrick MacNee, Tony Sher.

The Squeeze (1/9) — **Tri-Star**
MPAA Rating: PG-13 Running Time: 101 mins.
Cast: Michael Keaton, Rae Dawn Chong, Rick Abernathy

Summer Heat (1/9) — **Paramount**
MPAA Rating: R Running Time: 83 mins.
Cast: Lori Singer, Anthony Edwards.

Superman IV: The Quest For Peace (1/13) — **Warner Bros.**
MPAA Rating : PG Running Time: 91 mins.
Cast: Christopher Reeve, Margot Kidder, Gene Hackman, Jackie Cooper.

Walk Like A Man (1/1) — **MGM/UA**
MPAA Rating : PG Running Time: 86.14 mins.
Cast: Howie Mandel, Christopher Lloyd, Cloris Leachman.

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Satcom 4, tr. 16	VideoCipher II	Movies, how-to's, special events. 24 hours per day, approx.50 titles per month	Currently serving 16 MSOs nation-wide (40,000 Impulse addressable subscribers)
Private Ticket	July 1985	Standalone	None	Two and one-half hours nightly. One original title, plus up to two licensed films edited for Playboy.	Available in systems serving 185,000 subs (139,000 addressable).
Request Television	November 27, 1985	Galaxy 1, tr. 12	VideoCipher II	Min. of four major motion pictures per week over 14 day cycle, special events	Available in systems serving 3.6 million subs. (2.5 million addressable).
Telstar Channels	June 5, 1986	Spacenet 2, tr.1,3,11,23	VideoCipher II	Channel 1: 2 movies per week,the newest and top-selling. Channel 2: Cult favorites, childrens and top of the charts video store sellers. Channel 3:	

Bills to tax home shopping gain

By John Wolfe

WASHINGTON—Legislation permitting state and local governments to assess a sales tax on products purchased from home shopping services and other forms of direct selling seems to be gaining momentum in Congress.

Direct marketers—including home shopping services—have been protected from collecting a sales or use tax under a 1967 Supreme Court decision, *National Bellas Hess*, which held that a "nexus," or taxable business connection, did not exist between out-of-state direct marketers and state governments (*CV* 8/3/87 p.44).

However, legislators in the House and Senate have introduced bills which would enable states to bypass the 1967 high court decision. On Nov. 5, the House Select Revenue Subcommittee approved H.R. 1242, introduced by Rep. Byron Dorgan, D-N.D. That measure would force direct sellers to collect and remit both state and local sales taxes, and would not apply to retailers with less than $12.5 million in annual sales.

The Dorgan bill now must be approved by the House Judiciary Committee; no mark-up date has been set. The measure's prospects for passage before Congress adjourns for the year remain uncertain.

On Nov. 6, meanwhile, the Senate Subcommittee on Taxation held a hearing to examine two parallel measures. S. 1099, introduced by Sen. Thad Cochran, R-Miss., largely mirrors H.R. 1242. S. 639, sponsored by Sen. Quentin Burdick, D-N.D., would only permit states to collect sales taxes, with no exemption for smaller companies. Neither bill is expected to pass the Senate this year.

At the hearing, the legislation vigorously was opposed by the Home Shopping Network, the Direct Marketing Association and other direct sellers. The National Association of Retail Dealers supported the proposals, as did the National League of Cities, the National Conference of State Legislatures, the National Governors Association, the Multi-State Tax Commission and other state taxation officials.

The U.S. Treasury Department also voiced support for the legislation. Dennis Ross, Treasury's tax legislative counsel, noted that 1986 revenues from sales taxes were nearly $75 billion, representing more than 30 percent of all state tax revenues.

Treasury also reported that 45 states and the District of Columbia levy sales taxes ranging from 3 percent to 7.5 percent, and additional sales taxes are imposed by more than 8,000 local governments. But Joseph Connolly, Home Shopping Network chief financial officer, said that compliance with so many different tax jurisdictions would place "an unfair burden" on an out-of-state vendor "as well as his customers."

For the fiscal year ending Aug. 31, 1987, HSN collected and remitted more than $17.2 million in sales taxes to the nine states in which it maintains facilities, Connolly said. "Even with one of the most sophisticated computer systems in the industry," he testified, "HSN anticipates that the task of programming and monitoring 41 additional state tax laws will be a nightmare."

HSN also argued that the company should not be required to collect a sales tax for states which do not provide services to the company. Moreover, "out-of-state vendors would be deprived of the right of representation and would not have a voice in the state legislative process which crafts collection and remittance procedures for sales tax," Connolly observed.

Out-of-state vendors' 1986 revenue potential

State	$ Estimate (in millions)
California	$318.03
Texas	$154.31
New York	$152.02
Pennsylvania	$108.95
Illinois	$103.76
Florida	$ 97.31
New Jersey	$ 91.34
Ohio	$ 86.19
Michigan	$ 60.3
Washington	$ 58.45
Massachusetts	$ 55.73
Connecticut	$ 51.89
Maryland	$ 48.11

Source: Federal Advisory Commission on Intergovernmental Relations.

Connolly also told the panel that consumers "are not flocking to their televisions in an attempt to avoid paying state sales taxes." And with the recent emergence of brand-name discount outlets, "perhaps retailers should look down the street rather than at their television for the reason their sales are falling off."

But J. Con Maloney, a Mississippi retailer testifying on behalf of NARD, said the "national competition" from direct marketers and home shopping services has harmed local retailers. "We lose sales because customers can avoid sales taxes by buying from an out-of-state vendor," he said.

The state government organizations supporting the measures cited a Federal Advisory Commission on Intergovernmental Relations study which estimates that states are losing at least $2 billion in revenue each year on untaxed transactions with out-of-state vendors. North Dakota Gov. George Sinner, testifying for the NGA, said his state alone is losing nearly $5 million in revenue yearly.

Out-of-state businesses "threaten the future of the sales tax," Sinner testified. And "changing technology" such as home shopping will make direct transactions "more convenient than ever," he said. "The law needs to be updated in light of these basic and growing changes in the marketplace."

Cathy Reynolds, president of the National League of Cities, told the subcommittee that the $2 billion lost to states yearly also represents "an additional $250 to $500 million in sales tax revenues" which will go uncollected by local governments. NLC said that 6,705 local jurisdictions in 29 states levied a sales tax in 1986, up 37 percent from 1976.

Congressional action to skirt *Bellas Hess* is needed, Reynolds testified, "to prevent further erosion of local and state sales tax bases, as well as to protect local merchants from unfair competition." Reynolds suggested the establishment of a "national clearinghouse" which could provide state and local sales tax data to vendors and purchasers. Direct sellers would only be required to submit one tax return per state, and states would then distribute the relevant share of the proceeds to local communities, she recommended. ■

CABLE STATS

Industry Growth

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	72,460,000	42,725,000	48	26,022,000	29
1986	87,800,000	69,632,000	41,772,000	47	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Cable barometer

Television households (TVHH).	87,800,000
Homes passed by cable (HP).	69,632,000
Percent of TVHH passed by cable.	79.3%
Basic cable subs.	41,772,000
Percent of TVHH with basic cable.	47.5%
Percent of HP with basic cable.	59.9%
Pay cable subs.	24,101,000
Percent of TVHH with pay cable.	27.4%
Percent of HP with pay cable.	34.6%
Percent of basic subs with pay cable.	57.6%

Satellite Lineup

Satcom III-R (RCA Americom)

	Transponder
Arts & Entertainment	24
BET	20
Cable Radio Network	4
Cable Value Network	12
Cinemax (West)	23
ESPN (Blackout)	7
Eternal Word Television Network	18
Financial News Network	4
Genesis Story	3
HBO (West)	13
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
MTV	11
National Jewish Television	18
Nickelodeon	1
QVC Network	8
Reuter Monitor Service	18
Showtime (West)	10
Tempo Sound	6
Tempo Television	6
Tempo Text	6
The Travel Channel	16
Trinity Broadcasting Network	3
TV Decisions	24
USA Network (West)	9
Video Hits One (VH1)	15
Viewer's Choice	5
The Weather Channel	19

Satcom IV (RCA Americom)

	Transponder
Alternate View Network	10
American Movie Classics	10
America's Value Network	5
Biznet	6
Bravo	2
The Fashion Channel	14
C-Span II	8
Gospel Music Network	3
Hit Video USA	18
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Liberty Broadcasting Network	7
Madison Square Garden Network	6
The Motivation Network	3
Movietime	17
National Black Network	19
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	24
Prime Ticket	20
The Silent Network	23V
SportsChannel-New England	23
SportsVision	9
WPIX—New York	19
Catholic Telecommunications Network of America	11
Consumer Discount Network	24
National Christian Network	2
International Television Network	10D
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2

Westar III (Western Union)

	Transponder
CNN	5

Westar IV (Western Union)

	Transponder
Atlantic City Horse Racing	6
Cable News Network (CNN)	16

Westar V (Western Union)

	Transponder
Fantasy Unrestricted Network (FUN)	24
FUN Weekend Pay-per-view	24
Moody Broadcasting Network	7D
Pro-Am Sports System (PASS)	8
The University Network	2
Zephyr Weather Information Service	7D

Telstar 303 (AT&T)

	Transponder
American Exxxtasy	19
Country Music Television (CMTV)	13
KTVT (Ft.Worth)	20

Galaxy I (Hughes)

	Transponder
CBN Cable Network	11
Cinemax (East)	19
CNN	7
C-SPAN	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
Electra	18
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Headline News	8
The Inspirational Network	17
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
Request Television	12
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
SIN	6
Tempo Text	18
USA Network (East, Central)	21
Video Mall Network	22
WGN	3
WOR-TV	15
WTBS	18

Galaxy III

	Transponder
C-SPAN	24V
C-SPAN II	14V
National Shopping Club	23
The Meadowlands Racing Network	17
Sky Merchant	11
Viewer's Choice 1+2	21,18

Spacenet I (GTE)

	Transponder
ACTS	15
SelecTV	13

Note: A company name in parentheses following a service or network designates the transponder owner.
Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	4,200,000	(4/87)
2.	American Television and Communications Corp.	3,500,000	(11/87)
3.	Continental Cablevision	1,482,000	(8/87)
4.	Storer Cable Communications	1,418,000	(9/87)
5.	Cox Cable Communications	1,406,922	(9/87)
6.	Warner Cable Communications Inc.	1,367,000	(9/87)
7.	Comcast	1,200,000	(10/87)
8.	United Cable	1,109,801	(6/87)
9.	Newhouse Broadcasting	1,028,543	(8/87)
10.	Viacom Cablevision	1,020,256	(9/87)
11.	Heritage Communications Inc.	1,019,331	(8/87)
12.	Jones Intercable	928,305	(8/87)
13.	Times Mirror Cable Television Inc.	895,892	(9/87)
14.	Sammons Communications Inc.	821,033	(9/87)
15.	UA Cablesystems Corp.	780,593	(10/87)
16.	Cablevision Systems Corp.	740,836	(10/87)
17.	Paragon Communications	643,000	(9/87)
18.	Century Communications Corp.	600,000	(12/86)
19.	Cablevision Industries	585,198	(8/87)
20.	Daniels & Associates	561,246	(8/87)
21.	Rogers Cablesystems Inc.	534,303	(9/87)
22.	Centel Cable	501,857	(6/87)
23.	Telecable Corp.	498,165	(8/87)
24.	American Cablesystems Corp.	468,893	(8/87)
25.	Adelphia Communications	451,736	(10/87)
26.	Cooke Cablevision	440,589	(9/87)
27.	Scripps-Howard	400,000	(10/87)
28.	Choice Cable	379,000	(2/87)
29.	Wometco Cable TV Inc.	377,436	(7/87)
30.	Post-Newsweek	374,275	(9/87)
31.	Prime Cable Corp.	339,990	(9/87)
32.	TCA Group	331,730	(8/87)
33.	Tele-Media	295,933	(8/87)
34.	Multimedia Cablevision	289,568	(9/87)
35.	Maclean Hunter Cable TV Ltd.	287,142	(9/87)
36.	Colony Communications Inc.	274,986	(10/87)
37.	Rifkin & Associates	260,000	(10/87)
38.	Lenfest Group	247,640	(9/87)
39.	Western Communications	243,006	(9/87)
40.	TKR Cable Co.	233,191	(9/87)
41.	Adams-Russell Communications	226,000	(9/87)
42.	Communications Service Inc.	210,000	(12/86)
43.	Service Electric Cable TV Inc.	200,000	(9/87)
44.	TCI-Taft	197,853	(8/87)
45.	Hauser Communications Inc.	182,964	(10/87)
46.	Cencom Cable	175,175	(8/87)
47.	Sutton Capital Corp.	152,676	(8/87)
48.	Media General Inc.	151,211	(7/87)
49.	Harron Communications	150,770	(7/87)
50.	Greater Media	149,091	(9/87)
51.	First Carolina Communications Inc.	146,395	(10/87)
52.	Armstrong Utilities	140,808	(9/87)
53.	Palmer Communications	140,404	(9/87)
54.	Cable Systems USA	133,000	(9/87)
55.	Marcus Communications	131,108	(8/87)
56.	Televents Inc.	129,754	(8/87)
57.	Blade Communications	127,315	(8/87)
58.	Essex Communications Corp.	126,745	(7/87)
59.	U.S. Cable Corp.	119,548	(8/87)
60.	Summit Communications	118,134	(4/87)
61.	Simmons Communications	113,203	(8/87)
62.	Sonic Communications	111,585	(8/87)
63.	King Videocable	110,791	(8/87)
64.	Bresnan Communications Co.	110,546	(8/87)
65.	Multi-Channel TV Cable Inc.	110,134	(9/87)
66.	Columbia International	109,000	(7/87)
67.	Harte-Hanks Communications	108,484	(8/87)
68.	Booth Communications	106,779	(10/87)
69.	Scott Cable Communications	106,277	(7/87)
70.	Northland Communications	106,100	(9/87)
71.	M.L. Media Partners	97,640	(8/87)
72.	James Communications	92,184	(8/87)
73.	Susquehanna Broadcasting	91,545	(8/87)
74.	McDonald Group	90,079	(8/84)
75.	Omega Communications	88,122	(8/87)
76.	WEHCO Video	87,367	(8/87)
77.	Coaxial Communications	84,859	(9/87)
78.	United Video Management	84,034	(9/87)
79.	Midcontinent Cable Systems Co.	83,331	(11/87)
80.	Pencor Services	83,281	(8/87)
81.	Star Cablevision Group	79,892	(7/87)
82.	C-4 Media Corp.	69,482	(10/87)
83.	Enstar Communications	68,448	(10/87)
84.	Selkirk Communications	68,000	(10/87)
85.	Masada Corp.	62,092	(8/87)
86.	Acton Corp.	60,035	(1/87)
87.	Mountain Cable Co.	59,336	(9/87)
88.	Chambers Communications Corp.	57,722	(8/87)
89.	Cardinal Communications	53,870	(8/87)
90.	Insight Communications	53,256	(8/87)
91.	Hearst Communications of California	51,481	(9/87)
92.	North American Comm. Corp.	50,589	(8/87)
93.	Tidel Communications	50,427	(4/87)
94.	State Cable TV	49,956	(7/87)
95.	Galaxy Cablevision	49,006	(9/87)
96.	Helicon Corp.	49,000	(8/87)
97.	Commonwealth Cable Systems	47,500	(9/87)
98.	Dowden Communications	46,603	(8/87)
99.	Joseph Gans Cable TV	46,532	(11/86)
100.	New England Cablevision	46,296	(10/87)

Subscriber counts are provided by MSOs and systems to CableVision magazine. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to CableVision, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1109, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	San Diego, CA	Cox Cable	287,846	(9/87)
2.	Woodbury (Long Island), NY	Cablevision Systems Corp.	286,284	(10/87)
3.	Manhattan, NY	ATC	233,200	(6/87)
4.	San Antonio, TX	Rogers Cablesystems	219,466	(9/87)
5.	East Orange, NJ	Maclean Hunter	193,397	(9/87)
6.	Puget Sound, WA	Viacom	184,000	(8/87)
7.	Honolulu, HI	ATC	182,500	(6/87)
8.	Houston, TX	Warner Cable	182,000	(9/87)
9.	Phoenix, AZ	Times Mirror	173,810	(9/87)
10.	Hartford/Plainville/Vernon, CT	United Cable	162,912	(8/87)
11.	Wayne, NJ	UA Cablesystems	158,104	(10/87)
12.	Louisville/Jeff. Co., KY	Storer Communications	155,000	(9/87)
13.	Cincinnati, OH	Warner	154,000	(9/87)
14.	Englewood, CO	United	153,404	(8/87)
15.	Hampton Roads, VA	Cox Cable	150,103	(9/87)
16.	Tulsa, OK	United	147,344	(8/87)
17.	Fairfax, VA	Media General	147,149	(11/87)
18.	Rochester, NY	ATC	145,300	(6/87)
19.	Cherry Hills, NJ	NYT	145,075	(7/87)
20.	Orlando,FL	ATC	143,500	(6/87)
21.	Atlanta, GA	Prime Cable Corp.	142,529	(9/87)
22.	Jacksonville, FL	Continental Cablevision	136,000	(4/87)
23.	Kansas City, MO	ATC	130,000	(6/87)
24.	Baltimore County, MD	Comcast	130,000	(10/87)
25.	Buffalo, NY	Adelphia Communications	128,105	(4/87)
26.	San Jose/Campbell, CA	Gill Cable	128,000	(11/87)
27.	Erie County, NY	Adelphia	127,160	(3/87)
28.	Manhattan, NY	Paragon Cable	126,000	(9/87)
29.	Seattle, WA	Tele-Communications Inc.	125,000	(12/86)
30.	Memphis/W. Memphis, TN	ATC	120,400	(6/87)
31.	Charlotte, NC	ATC	118,791	(3/87)
32.	Long Island, NY	Viacom	116,000	(8/87)
33.	San Francisco, CA	Viacom	112,000	(8/87)
34.	Austin, TX	ATC	110,900	(6/87)
35.	St. Louis Co., MO	Cencom Cable	109,732	(8/87)
36.	San Diego, CA	ATC	107,400	(6/87)
37.	Pompano, FL	American Cablesystems	106,903	(8/87)
38.	Warren, NJ	TKR	105,923	(9/87)
39.	San Juan, PR	ML Media Partners	104,823	(11/86)
40.	Toledo, OH	Blade Communications	104,108	(8/87)
41.	Dallas, TX	Heritage	100,713	(8/87)
42.	Southeast Michigan	Comcast	100,031	(10/87)
43.	Jefferson Parish/Kenner, LA	Cox Cable	98,773	(9/87)
44.	Grand Rapids, MI	UA Cablesystems	96,817	(10/87)
45.	Wilmington, DE	Heritage	96,651	(9/87)
46.	Pinellas County, FL	Vision Cable	93,920	(9/87)
47.	Escondido, CA	Times Mirror	92,997	(9/87)
48.	Indianapolis, IN	Comcast	92,000	(10/87)
49.	Dade/Broward, FL	Storer	92,000	(9/87)
50.	Raleigh/Durham, N.C.	ATC	88,198	(3/87)
51.	Richmond, VA	Continental	88,139	(9/87)
52.	Tacoma, WA	Viacom	86,000	(8/87)
53.	Pittsburgh, PA	TCI	85,000	(12/86)
54.	Boston, MA	Cablevision Co.	83,942	(10/87)
55.	Wichita, KS	Multimedia Cablevision	82,406	(9/87)
56.	Naples, FL	Palmer Communications	82,840	(9/87)
57.	Oakland County, MI	United	82,304	(2/87)
58.	Harrisburg, PA	Sammons Communications	80,647	(9/87)
59.	Orange County, CA	Times Mirror	80,463	(9/87)
60.	Milwaukee, WI	Warner	80,000	(9/87)
61.	Dover, Morristown, NJ	Sammons	79,361	(9/87)
62.	Nashville, TN	Viacom	79,000	(8/87)
63.	Las Vegas, NV	Prime	78,918	(9/87)
64.	Baton Rouge, LA	Daniels & Assocs.	78,140	(8/87)
65.	New Orleans, LA	Cox Cable	75,581	(9/87)
66.	Akron, OH	Warner	75,000	(9/87)
67.	Allentown, PA	Service Electric	75,000	(9/87)
68.	Flint, MI	Comcast	75,000	(10/87)
69.	South Bend, IN	Heritage	74,492	(8/87)
70.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
71.	Santa Monica, CA	Century Communications	74,000	(5/86)
72.	Ocean County, NJ	Adelphia	72,110	(10/87)
73.	Providence/Warwick, RI	Times Mirror	72,063	(9/87)
74.	Cleveland Heights, OH	Viacom	72,000	(8/87)
75.	Columbus, OH	Warner	72,000	(9/87)
76.	Contra Costa Co. CA	Televents	71,537	(8/87)
77.	Omaha, NE	Cox Cable	71,340	(9/87)
78.	Cook County, IL	Continental	71,065	(10/87)
79.	Medford Complex (Boston Suburbs), MA	Warner	71,000	(9/87)
80.	South Texas, TX	Heritage	70,859	(8/87)
81.	Fayetteville, NC	ATC	70,136	(3/87)
82.	Hillsborough, FL	Paragon	69,000	(9/87)
82.	St. Petersburg, FL	Paragon	69,000	(9/87)
84.	Lower Fairfield Co., CT	Cablevision Co.	68,442	(10/87)
85.	Little Rock, AR	Storer	68,000	(9/87)
86.	Indianapolis,IN	ATC	67,600	(6/87)
87.	Greater Bridgeport, CT	Cablevision Co.	67,570	(10/87)
88.	Oklahoma City, OK	Cox Cable	67,489	(9/87)
89.	Des Moines, IA	Heritage	67,345	(8/87)
90.	Birmingham, AL	ATC	66,254	(3/87)
91.	El Paso, TX	Paragon	66,000	(9/87)
92.	Syracuse (suburbs), NY	NewChannels Corp.	66,000	(7/87)
93.	New Haven, CT	Storer	66,000	(9/87)
94.	Lincoln, RI	Heritage	65,012	(8/87)
95.	Winston-Salem, N.C.	Summit Communications	64,072	(4/87)
96.	Monterey, CA	Western Communications	63,815	(4/87)
97.	W.San Fernando Valley, CA	Cablevision Industries	63,121	(8/87)
98.	Madison, WI	TCI	63,000	(12/86)
99.	Charleston, S.C.	Storer	63,000	(9/87)
100.	Santa Barbara, CA	Cox Cable	62,246	(9/87)

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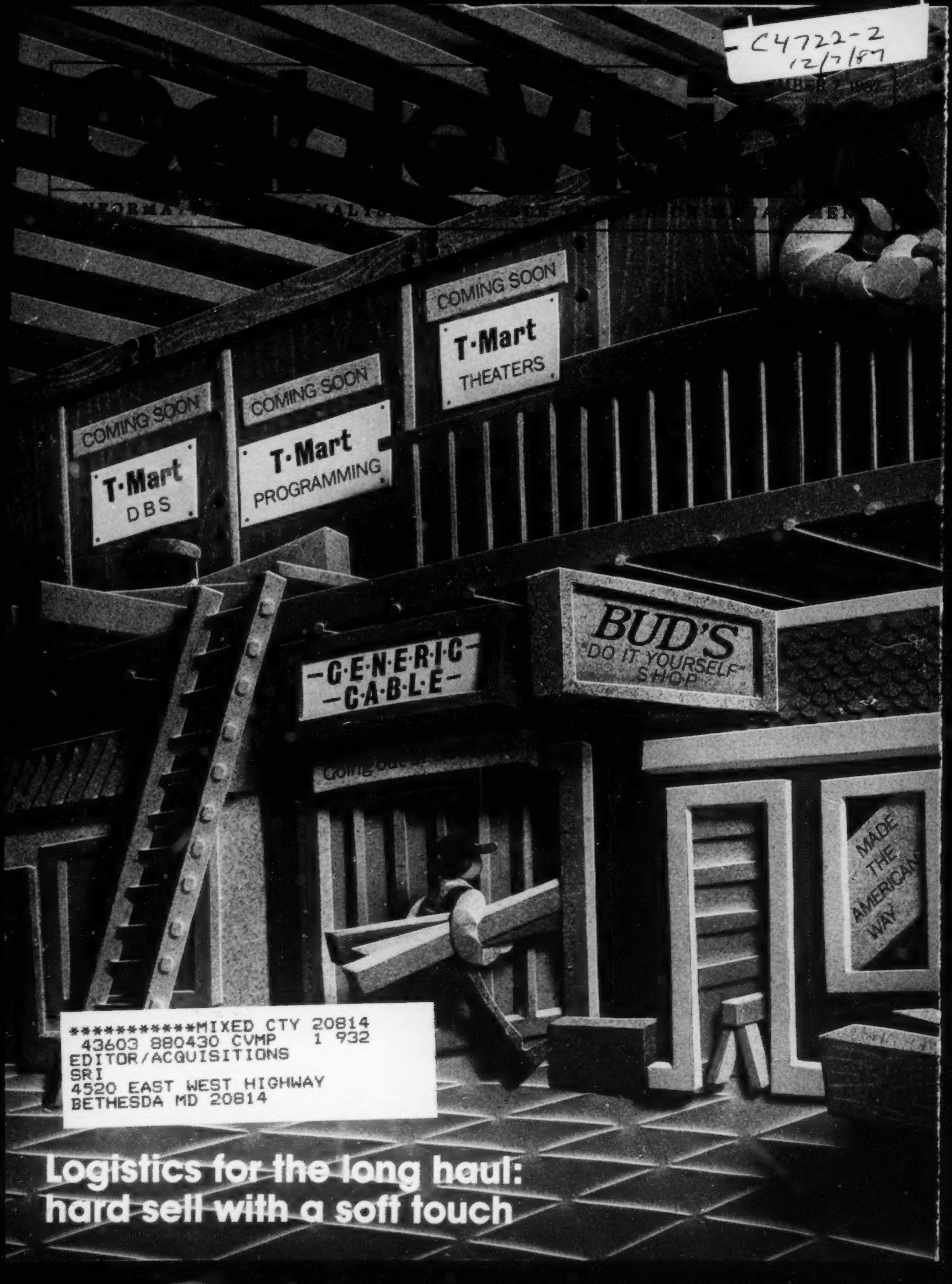
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Logistics for the long haul: hard sell with a soft touch

CableVision

FRONT LINE

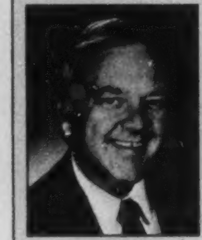
A piece of Showtime 18
Increasing Showtime's distribution is the key to assuring its future, and Viacom thinks it could meet that goal by following a well-beaten path: Spin off chunks to operators.

Merger talks in PPV 18

Viacom's Frank Biondi confirms, as do other principals involved, that serious talks are being held concerning a possible merger or other joint ventures by Viewer's Choice, Request TV and Home Premiere Television.

Tracking deregulation 22
The average subscriber's monthly bill has gone up a modest $1.45 since deregulation kicked in, says the National Cable Television Association based on a survey of hundreds of systems.

Doubling your money 26



TBS signs a $50 million, two-year deal with the NBA, twice what it paid for its current contract, but pivot man Robert Wussler says higher rights fees won't mean a doubling of ad prices.

Gore bill advances 26
Legislation by presidential hopeful Sen. Albert Gore, D-Tenn., mandating third-party access to cable programming, clears a Senate committee, but insiders say the bill's sleeper is an expected amendment outlawing bulk discounting

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PROGRAMMING

PROGRAMMING
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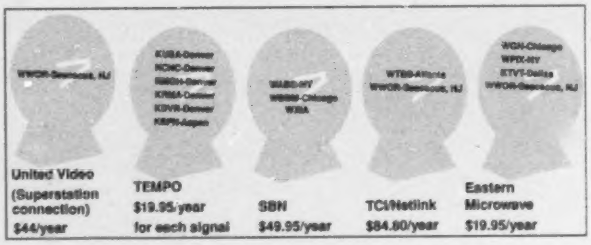
HBO: Again, a great notion 38
For years it was the engine that drove the business, becoming so ingrained in the public consciousness that HBO *was* cable. Now it marks its 15th anniversary, a milestone that invites introspection as well as celebration. We knew it was coming so we baked a cake. Try a piece.

Third and long for college football 56
Fall Saturdays once were predictable: Viewers settled back with ABC or CBS to watch college football. But the networks apparently have fumbled away that franchise to strong syndication packages and cable's significantly improved field position. But experts say part of the audience still is unaccounted for.


WWOR-Secaucus, NJ
United Video (Superstation connection) $44/year
KUSA-Denver
KCNC-Denver
KMGH-Denver
KRMA-Denver
KDVR-Denver
KSPN-Aspen
TEMPO $19.95/year for each signal
SBN $49.95/year
WTBS-Atlanta
WWOR-Secaucus, NJ
TCI/Netlink $84.80/year
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Sorting out superstation scrambling 66
Cable and Hollywood finally find something to agree upon: A legislative proposal to extend cable's compulsory license to cover the retransmission and sale of scrambled superstations to TVRO owners, at 12 cents a pop. Is this the opening for a backyard revival?

Jockeying over high-definition TV 74
The Federal Communications Commission is exploring the future of HDTV and—hey, wait a minute here—doesn't seem to be considering the large role that cable could play in delivering an enhanced picture. The NCTA is getting angry while everyone else grows impatient.

BUSINESS AND FINANCE

Desperately seeking safety in LPs 127
You've heard all the stock market jokes, about the pigeon and the Yuppie stockbroker and which one can or can't make a deposit on a BMW. But this is no joke: Cable limited partnerships are making a comeback, fueled by nervous investors searching out safe havens to ride out an uncertain economy.

LOGISTICS FOR THE LONG HAUL

COVER STORY

MSOs' aggressive strategies for the '90s and beyond 82

Behind them, competitors are nipping at their heels. Ahead lies the distinct possibility of strengthening their hold over television. With those givens, it shouldn't be surprising that MSOs are making some gutsy decisions on strategies for the long-haul, including a grab for program exclusivity. Topping this new list of priorities are the hard sell and the soft touch.

—Cover illustration by Chris Butler.

FORUM

Learning to live with fiber 30

Yes, it's out there and it's coming to eat cable's lunch if the industry passively rests on its coaxial laurels, writes Jim Chiddix of American Television and Communications. But steps can be taken to adapt to a new technological day.

INTERNATIONAL

Sizing up opportunities in Europe 112

The big thaw in European telecommunications is well underway, and new players are rushing across the pond to search out business opportunities. But American cable executives need to do their homework before hoping aboard the Concorde, and the lessons start here.

THE WESTERN SHOW

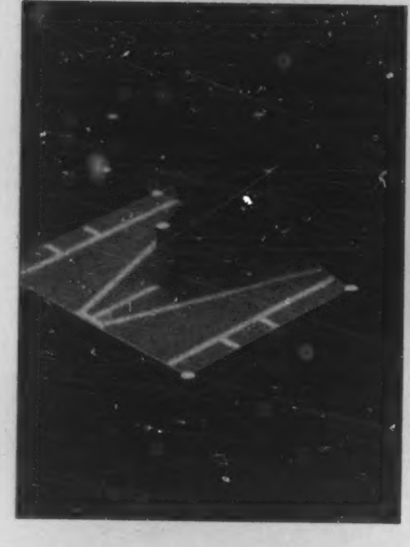
Seeing it all in Anaheim 116

The more than 9,000 cable executives walking the floor at the 19th Western Cable Show in Anaheim should find much to tempt their pocketbooks. At least two manufacturers plan to introduce a new line of converters and several new distribution products will make their debut.

BOOTH GUIDE

A map of the floor 122

With more than 200 exhibitors showing their wares, foot-weary conventioneers need a map to show the way. A complete list of exhibitors and where they can be found can save many steps.



BUSINESS AND FINANCE

Investment strategies 130

There's some real money moving around within major MSOs, and managing that horde for optimum return has become a top priority. Those decisions, more than anything else, reflect unique corporate philosophies.

BETWEEN THE LINES

MSOs view the future and opt to play offense

It seems that as long as there has been a cable industry, people have made predictions about what cable television would look like and act like when it grew up. These predictions have gone through some fairly routine stages, typically as extrapolations from coaxial technology's latest advancements. The trick to predicting what cable would become, it seems, was like voting in Chicago: Do it early and often.

With increases in channel capacity came the predications painting cable as a narrowcasting medium offering a channel for every taste. Then interactive addressability prompted various seers to describe a world in which everyone sat at home, punched buttons on the remote control and had all manner of goods and services delivered to their door. In its spare time the cable would ward off burglars and read the water meter, when it wasn't occupied with killing Hollywood.

But now something that might truly be called a mature cable industry is beginning to show itself, and that picture is captured in surprising detail by West Coast Bureau Chief Fred Dawson in his Cover Story for this issue. Beginning on page 82, MSO chief executives and their key planners divulge strategies that, taken as a whole, lead one to believe that the industry is turning into a business that would not be unfamiliar to a young William Paley.

It seems clear from a close reading of this important work that the MSO agenda for the waning days of this decade and the early years of the 1990s revolves around three major drives: To become the dominant video delivery system with penetration at 70 percent or better; to exert exclusive distribution rights to most if not all cable programming; and to deliver only that programming which produces respectable ratings.

The mature cable industry, then, would appear to closely resemble the broadcast model that Paley perfected with CBS, except with a lot more hours to fill.

Attaining 70 percent penetration seems a given in light of cable's new-found ability to market its product. Little controversy there. But not so for obtaining program exclusivity or kicking off programmers with puny ratings. It should go without saying that MSOs cannot realistically hope to exert exclusivity to cable programming when the compulsory license denies the same privilege to local broadcasters. One infers from the comments of executives in Dawson's piece that it might not be such a bad trade for the industry's long-term interests: Fewer reruns of *M*A*S*H* on distant signals for the bragging rights to HBO.

And the talk about carrying only those stations and programming networks that command significant viewership also raises some red flags. It may be reading too much into the comments of executives quoted, but this view may sound the retreat from the cable-as-diversity theme that continues to play so well in Washington. At the least it signals operators' unwillingness to continue adding capacity simply because more programming services launch.

Whatever one reads from the strategies discussed, it is clear that MSOs, sensing they in fact are in a mature business, have chosen to play offense rather than defense.

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December 7, 1987
Volume 12, Number 32

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. Dec. 7, 1987, Volume 12, Number 32. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio. POSTMASTER: Please send address changes to, *CableVision*, P.O. Box 5208-TA, Denver, Colorado 80217.

ABP BPA

Report downplays rate increases

NCTA study puts average increase in monthly bills at $1.45 since deregulation

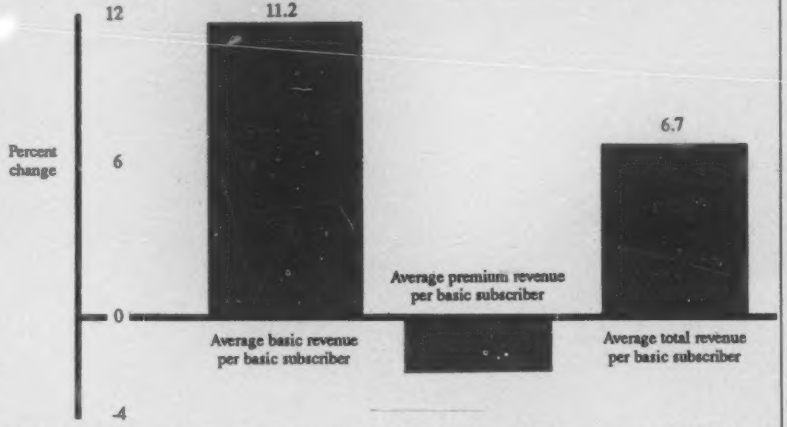
By John Wolfe

WASHINGTON—The average cable subscriber's monthly bill increased just 6.7 percent in the first six months following federal rate deregulation, according to a National Cable Television Association-sponsored survey of nearly 600 cable systems serving 16 percent of the nation's cable homes.

NCTA, working with Arthur Andersen and Co., prepared the report in anticipation of upcoming House Telecommunications Subcommittee oversight hearings on how the cable industry has fared in the wake of the 1984 Cable Act. Those hearings likely will not convene until early next year.

According to the study, previewed by NCTA board members on Nov. 16 and publicly released Nov. 23, basic rates have increased an average 10.6 percent, or $1.26, since last December, but have been offset by an average 2.5 percent decrease in rates for premium services. As a result, average monthly total revenue per subscriber grew by 6.7 percent, from $21.59 to $23.04, NCTA said.

Percentage change between December 1986 and June 1987 in average revenue per basic subscriber



NCTA reports that although monthly basic revenue per subscriber increased by approximately 11 percent, premium monthly revenues per subscriber dropped by 2.3 percent. Total monthly revenues per subscriber, reflecting all revenues from subscriber services, grew by 6.7 percent, from $21.59 to $23.04.

The report confirms what many cable officials predicted would occur. As basic rates went up, many operators eliminated multiple tiers and instead offered an expanded basic service. The number of basic service channels received by the average subscriber increased by 5.9 percent, from 27.3 to 28.9 channels, NCTA said.

For the study, NCTA mailed surveys to 2,577 systems chosen at random; 598, or 23 percent, responded. NCTA said the response represented a "high return rate for a mail survey of this complexity."

But cable adversaries were quick to question NCTA's results. "Their study does not seem to comport with the numbers anywhere else," claimed Cynthia Pols, legislative counsel to the National League of Cities. A recent NLC survey found that rates increased by 27 percent, while Paul Kagan Associates puts the figure at approximately 24 percent, she noted.

"I don't think it will have too much of an impact" on Capitol Hill, Pols predicted. "Too many people will question its validity," she explained, claiming that many operators may not have responded to NCTA's survey because they did not want to present an unfavorable picture to Congress.

"We urged that all systems respond no matter what they had done," countered Cynthia Brumfield, NCTA vice president, research and policy analysis.

NLC's survey "was very different from ours" because it focused only on systems which raised rates without offering additional channels, another NCTA official retorted. The official noted that NCTA's results closely mirror those of the Bureau of Labor Statistics, which would "be much more neutral" than the League. BLS reported a 5.3 percent increase in the average price of cable service for the first six months of 1987.

NCTA's results also suggested that the rate increases "were very well accepted by cable subscribers," Brumfield maintained. Both the number of homes passed by cable and the number of subscribers increased by 3.3 percent from December to June, according to the study, while the penetration of subscribers to homes passed remained constant at 56.7 percent.

Also, basic and premium churn, "which can be considered measures of customer satisfaction with cable, have declined since deregulation went into effect," NCTA said. The average annual basic churn rate reported by participating systems dropped from 20 percent in 1986 to 18.8 percent in 1987.

Many industry officials had claimed that the freedom to raise basic rates would take the pressure off artificially high-priced premium services, and according to the survey, the pay services are rebounding. Brumfield said she was surprised by the "incredible resurgence in premium network subscriptions" in the six months after rate deregulation. Among responding systems, the total premium units sold grew by 3.7 percent, according to the study.

Moreover, the pay-to-basic ratio, which has declined industry-wide over the past couple of years, increased from 81.6 percent to 82 percent for participating systems, NCTA said.

NCTA also noted that since deregulation, the cable industry's investment in plant, equipment and customer service has increased. ■

Film product comparison-January

Film	Pay Networks					Distributor
48 Hrs.	*HBO		*TMC		(MAX)	Paramount
8 Million Ways To Die	(HBO)				MAX	Vestron
A Raisin in the Sun					*MAX	Columbia
A Streetcar Named Desire					MAX	Worldvision
About Last Night...	(HBO)				*MAX	Tri-Star
Above and Beyond					MAX	MGM/UA
Address Unknown					MAX	Columbia
Aliens	(HBO)		TMC		(MAX)	20th Century-Fox
All the Brothers Were Valiant		ST				MGM/UA
All the King's Men					MAX	Columbia
All the Right Moves			TMC			20th Century-Fox
American Ninja		*ST	(TMC)			Cannon
Amorous Adventures of Moll Flanders		ST				Paramount
An American in Paris		(ST)	(TMC)	(DIS)	MAX	MGM/UA
Apocalypse Now		ST			MAX	MGM/UA
Armed Response	(HBO)				MAX	Cinetel
Assassination, The			TMC			Cannon
Assisi Underground		*ST	TMC			Cannon
At Last, At Last		ST	(TMC)			J. Brenner
Author! Author!					MAX	20th Century-Fox
Aviator, The					MAX	MGM/UA
Bad Medicine		*ST	TMC		(MAX)	20th Century-Fox
Battle Circus		ST				MGM/UA
Best of Times, The	HBO		(TMC)		(MAX)	Universal
Big Chill, The					MAX	Columbia
Big Trouble in Little China		ST			(MAX)	20th Century-Fox
Blind Date	HBO				(MAX)	Wescom
Boarding School					MAX	Paramount
Born American	(HBO)		(TMC)		MAX	Cinema Group
Boy Called Nuthin', A				DIS		Disney
Boys Next Door, The					MAX	New World
Brazil		ST			(MAX)	Universal
Breaking All The Rules	HBO				(MAX)	New World
Brighton Beach Memoirs	(HBO)	*ST	*TMC			Universal
Broken Promise		ST	(TMC)			Viacom
Bullies	(HBO)	ST	(TMC)			Universal
Bye Bye Birdie	HBO					Columbia
Cat Ballou	HBO					Columbia
Cat From Outer Space				DIS		Disney
Catch-22			TMC		MAX	Paramount
Charley and the Angel				*DIS		Disney
Children of a Lesser God		(ST)	*TMC			Paramount
Chisum		(ST)	(TMC)		*MAX	Warner Bros.
Chosen, The	HBO				(MAX)	20th Century-Fox
Christmas Visitor				*DIS		Disney -
Class of Nuke'em High		ST	(TMC)			Troma
Cobra	HBO				(MAX)	Warner Bros.
Cocoon	HBO	*ST	*TMC		(MAX)	20th Century-Fox
Color of Money, The		*ST	*TMC			Touchstone
Compromising Positions		ST	TMC			Paramount
Concrete Jungle, The		(ST)	TMC			Lorimar
Country		(ST)	TMC			Touchstone
Cowboys, The			(TMC)		MAX	Warner Bros.
Crimes of the Heart		ST	TMC			DEG
Critical Condition		ST	TMC			Paramount
Cyclone					MAX	Cinetel
Death of a Soldier	HBO					Scotti
Death on the Nile	(HBO)		*TMC			Paramount
Death Wish 3		ST	*TMC			Cannon
Deja Vu					MAX	Cannon
Desert Bloom	HBO				(MAX)	Columbia
Don't Go Near the Water			(TMC)		MAX	MGM/UA
Dot and the Whale				DIS		Cori Films
Down and Out in Beverly Hills			*TMC			Touchstone
Down Argentine Way				DIS		20th Century-Fox
Dr. Strangelove or How I Learned					MAX	Columbia
Dragonslayer	(HBO)	(ST)	(TMC)	*DIS		Paramount
Dream and the Triumph		ST				Atlantis
Dream Lover	(HBO)		(TMC)		*MAX	MGM/UA
El Dorado			TMC		MAX	Paramount
Eliminators			*TMC			DEG
Except for Me and Thee				*DIS		Lorimar
Eyes of a Stranger					MAX	Warner Bros.
Eyes of the Amaryllis				DIS		Coe Films
Fail-Safe					MAX	Columbia
Fantasy Film Worlds				DIS		Leibovit Productions
Fast-Walking		*ST				Lorimar
Fearless Vampire Killers			TMC			MGM/UA
Felicity		ST				Satori
Fifth Missile, The		ST				Turner
Fire With Fire		(ST)	TMC			Paramount
Firewalker		*ST				Cannon
Fixer, The		ST				MGM/UA
Fly, The	(HBO)	(ST)	(TMC)		*MAX	20th Century-Fox
Free Spirit			TMC			J. Brenner
From Hell To Texas				DIS		20th Century-Fox
Gambler, The			TMC			Paramount
Garbo Talks		ST				MGM/UA
Gift of Life, The	HBO					Televentures
Glass Bottom Boat, The			*TMC	(DIS)	(MAX)	MGM/UA
Gnomes Great Adventure	(HBO)	ST				Miramax
Golden Child, The		ST	TMC			Paramount
Goonies, The	HBO				(MAX)	Warner Bros.
Gorky Park			*TMC		(MAX)	Orion
Grambling's White Tiger				DIS		Interplanetary
Great Wall is a Great Wall, The					MAX	Orion
Great Wall, A			TMC			Orion
Groove Tube, The	HBO				(MAX)	Pickman
Guess Who's Coming to Dinner?					MAX	Columbia
Gulliver's Travels				*DIS		Miramax
The Hand					MAX	Warner Bros.
Happy Hooker, The		(ST)	TMC			Cannon
Hardbodies	(HBO)	(ST)	TMC		(MAX)	Columbia
Haunted Honeymoon		*ST	(TMC)		(MAX)	Orion
Haunted School, The				*DIS		Revcom
Head Office	HBO				(MAX)	Silver
Hellcats of the Navy					MAX	Columbia
Here Comes Mr. Jordan					MAX	Columbia
Highlander	(HBO)	(ST)	TMC			20th Century-Fox
Hobson's Choice	HBO					Televentures
Holcroft Covenant, The	(HBO)				MAX	Thorn-Emi
Home in Indiana				DIS		20th Century-Fox
The Homestretch				DIS		20th Century-Fox
Hot Target	HBO					Crown Int'l
Hour of the Assassin					MAX	MGM/UA
House of the Rising Sun	*HBO					Fox/Lorber
Howard the Duck	HBO	ST			(MAX)	Universal
Howling II	HBO				(MAX)	Hemdale
I Own the Racecourse				DIS		Miramax
I Walk Alone		ST				Paramount
I'd Climb the Highest Mountain					MAX	20th Century-Fox
In Search of a Golden Sky	*HBO					TMS Pictures
In the Good Old Summertime				DIS	MAX	MGM/UA
In the Shadow of Kilamanjaro					MAX	Scotti Bros.
Indiana Jones and the Temple of Doom	HBO				MAX	Paramount
Invasion U.S.A.		(ST)	*TMC			Cannon
Jake Speed	(HBO)				MAX	New World
Jewel of the Nile	HBO		TMC		(MAX)	20th Century-Fox
Jo Jo Dancer, Your Life is Calling	(HBO)				MAX	Columbia
Julia		*ST			(MAX)	Essex
Just Between Friends	(HBO)		*TMC		MAX	Orion
Just the Way You Are		ST	TMC		MAX	MGM/UA
Karate Kid Part II	HBO				(MAX)	Columbia
King Kong Lives		*ST	*TMC			DEG
King Solomon's Mines		ST	(TMC)			Cannon
Kismet		ST				MGM/UA
Klute	HBO	(ST)			(MAX)	Warner Bros.
Krush Groove	(HBO)				MAX	Warner Bros.
Last Detail, The					MAX	Columbia
Learning Tree, The	HBO					Warner Bros.
Legend	(HBO)	(ST)	(TMC)		*MAX	Universal
Let's Make a Dirty Movie					MAX	Satori
Letter to Brezhnev			*TMC			Circle
Light Blast		*ST	(TMC)			Lorimar
Little Shop of Horrors	HBO					Warner Bros.
Liz		ST				Satori
Lone Star		ST				MGM/UA
Lookin' To Get Out			*TMC		MAX	Lorimar
Loose Screws		*ST	(TMC)		*MAX	Concorde
Low Blow	HBO					Crown Int'l
Lucky Lady			TMC			20th Century-Fox
Macaroni		ST	TMC			Paramount
Malibu Bikini Shop	(HBO)		TMC			New Century
Malibu Express			(TMC)		MAX	Malibu Bay
Man From Button Willow		ST				Lee Haber

Film	Pay Networks					Distributor
Man Who Came to Dinner		(ST)		DIS		MGM/UA
Man Who Corrupted Hadleysburg				DIS		Bedford
Manhattan Project, The	(HBO)	(ST)	TMC		(MAX)	20th Century-Fox
Manhunter		(ST)	TMC			DEG
Many Adventures of Winnie the Pooh				DIS		Disney
Marie: A True Story		ST				TBS
Maximum Overdrive		ST				DEG
Men of the Fighting Lady			TMC			MGM/UA
Miracles	HBO				(MAX)	Orion
Missing in Action	HBO				(MAX)	Cannon
Mission Hill					MAX	Paramount
Missionary, The	HBO					Columbia
Misty				DIS		UPA Production
Misunderstood	HBO		(TMC)	DIS	(MAX)	MGM/UA
Modern Girls		(ST)	*TMC			Paramount
Montgomery to Memphis					MAX	Fox/Lorber
Mosquito Coast, The					MAX	Warner Bros.
Movers & Shakers	HBO				(MAX)	MGM/UA
Murphy's Law		(ST)	*TMC			Cannon
Rumplestiltskin			TMC			Cannon
Run, Cougar, Run				DIS		Disney
Running Out					MAX	Televentures
Running Scared	*HBO				(MAX)	MGM/UA
Ruthless People		(ST)	*TMC			Touchstone
Saint Joan					MAX	Hal Roach
Saving Grace	*HBO				(MAX)	Columbia
Secrets of Love					MAX	Dolmatch
Serpico					MAX	Paramount
Seven Brides for Seven Brothers		ST	(TMC)		(MAX)	MGM/UA
She Wore a Yellow Ribbon					MAX	RKO
She's Gotta Have It		(ST)			MAX	Island
Shipwreck!		ST			(MAX)	Warner Bros.
Shoes of the Fisherman		ST			MAX	MGM/UA
Short Circuit	(HBO)				*MAX	Tri-Star
Sid and Nancy			TMC			Goldwyn
Silent One, The	HBO	(ST)	TMC			Satori
Sinbad and the Eye of the Tiger	HBO					Columbia
Six Weeks			*TMC			King Features
Slow Burn			TMC			Showtime
Slugger's Wife, The	(HBO)				MAX	Columbia
Smoke				*DIS		Disney
Smooth Talk					MAX	Int.Spectrafilm
Some Kind of Hero			TMC			Paramount
Spiral Staircase, The					MAX	Warner-Bros.
Stalag 17			*TMC		(MAX)	Paramount
Star Spangled Girl			TMC			Paramount
State Fair				DIS	(MAX)	20th Century-Fox
Stephen King's Silver Bullet		ST	(TMC)			Paramount
Still of the Night					MAX	MGM/UA
Stoogemania		(ST)	TMC			Atlantic
Streetwalkin'			*TMC		MAX	Concorde
Summer of '42			(TMC)		MAX	Warner Bros.
Summer Stock				DIS	MAX	MGM/UA
Sunday Dinner For a Soldier					MAX	20th Century-Fox
Sweet Liberty		(ST)	*TMC		*MAX	Universal
Tai-Pan		ST				DEG
The Tamarind Seed	HBO					ITC
Target	*HBO				(MAX)	Warner Bros.
Tea and Sympathy					MAX	MGM/UA
The Hasty Heart					MAX	Warner Bros.
The Stuff					MAX	New World
These are the Damned					MAX	Columbia
Mussolini: Part I	*HBO					Rai Radio
Mussolini: Part II	HBO					Rai Radio
My Side of the Mountain				*DIS		Paramount
Never Too Young to Die			*TMC			Goldwyn
Nightmare on Elm Street Part 2	(HBO)				MAX	New Line
No Mercy	HBO					Tri-Star
Odd Jobs	HBO					Silver
The Omega Syndrome					MAX	New World
On the Double				DIS	(MAX)	Paramount
Opposing Force	HBO				(MAX)	Orion
Ordinary People		*ST				Paramount
Outlaw Josey Wales, The		(ST)	*TMC		(MAX)	Warner Bros.
Over the Top	HBO				MAX	Warner Bros.
Owl and the Pussycat	HBO					Columbia
P.O.W.the Escape		(ST)	TMC			Cannon
Paper Moon			TMC		MAX	Paramount
Pat and Mike			TMC		MAX	MGM/UA
People Against O'Hara			TMC			MGM/UA
Pink Chiquitas, The			*TMC			20th Century-Fox
Pirates of Tortuga				*DIS		20th Century-Fox
Platypus Cove		ST	(TMC)			Miramax
Play It Again, Sam			TMC		MAX	Paramount
Playing For Keeps	(HBO)		*TMC			Universal
The Point				*DIS		Murakami/Wolf
Police Academy 3	(HBO)				*MAX	Warner Bros.
Poltergeist II	HBO				(MAX)	MGM/UA
Postman Always Rings Twice		*ST			(MAX)	Lorimar
Power	HBO				(MAX)	Lorimar
Prince and the Pauper				DIS		Disney
Promises in the Dark					MAX	Warner Bros.
Radio Days		ST	TMC		MAX	Orion
Rainbow Brite	HBO					Warner Bros.
Rascals and Robbers				DIS		Televentures
The Ratings Game			TMC			Imagination
Raw Deal		(ST)	TMC			DEG
Red Badge of Courage		ST		(DIS)	(MAX)	MGM/UA
Red Dawn	(HBO)	ST	(TMC)		MAX	MGM/UA
Red Line 7000			TMC			Paramount
Return of the Antelope				*DIS		Granada TV Int'l.
Return of the Jedi	(HBO)	(ST)			*MAX	Lucasfilm
Return of the Soldier					MAX	Brent Walker
Rich and Famous	HBO		(TMC)			MGM/UA
Richard Pryor Here and Now		(ST)	TMC		(MAX)	Columbia
Rings on Her Fingers					MAX	20th Century-Fox
Rogue Cop			TMC			MGM/UA
Rollover					*MAX	Warner Bros.
They Only Kill Their Masters			TMC		MAX	MGM/UA
Thunder Run			TMC			Cannon
Tiger Makes Out, The					MAX	Columbia
Tingler, The					MAX	Columbia
To the Shores of Tripoli				DIS		20th Century-Fox
Toby McTeague				DIS		Spectrafilm
Tom Sawyer, Detective				DIS		MCA TV/Paramount
Trading Places		(ST)	*TMC			Paramount
Trouble in Mind	HBO		(TMC)		(MAX)	Columbia
True Grit				DIS	MAX	Paramount
Tuck Everlasting				*DIS		Coe Film
The Turning Point	HBO	(ST)	TMC			20th Century-Fox
Twice in a Lifetime		ST	*TMC			Roberts
Two Against the Artic				*DIS		Disney
Under Fire	HBO	ST	(TMC)		(MAX)	Orion
Unico in the Island of Magic				DIS		Sanrio
Violets are Blue...	(HBO)				MAX	Columbia
Waltz Across Texas			TMC			Atlantic
What Comes Around	HBO				(MAX)	Simcom
Where are the Children?	HBO				(MAX)	Columbia
Whiz Kid and the Mystery at Riverton				DIS		Disney
Whoopee Boys, The		(ST)	TMC			Paramount
Wild and Beautiful on Ibiza		ST				K-Pay
Wild Geese II	(HBO)				MAX	Thorn-Emi
The Wild Pony				DIS		Cori
The Wings of Eagles			TMC		MAX	MGM/UA
Wisdom	HBO	ST	TMC			20th Century-Fox
Wise Guys			TMC			TBS
Witch's Sister		ST				Film Gallery
Witness		*ST	*TMC			Paramount
Wizards of the Lost Kingdom	HBO					Worldvision
Wolfen					*MAX	Warner Bros.
Wonder Woman			*TMC		(MAX)	Warner Bros.
World According to Garp					MAX	Warner Bros.
Yankee Doodle Dandy				DIS		MGM/UA
You Light Up My Life	HBO					Columbia
Your Place...Or Mine	HBO					Lorimar
The Zero Boys	HBO				(MAX)	Forminx

Cable Network Legend:
TMC—The Movie Channel
HBO—Home Box Office
DIS—The Disney Channel
ST—Showtime
MAX—Cinemax

- Networks in parentheses indicate carriage in August, September, October, November and/or December.
- An asterisk indicates the film is a carry-over from August, September, October, November and/or December.
- In total, 303 films appear on the January schedules of Home Box Office, Showtime, The Movie Channel, The Disney Channel and Cinemax. Of these titles, during the last six months, none have played on all five services, eleven have played on four of the five services, twenty-seven have played on three, and one hundred and five have played on two of the five services. One hundred and fifty-four titles on the December schedules of these five services were unduplicated in the last six months.
- The motion picture distributor with the most titles is MGM/UA with 37. Paramount with 30, Columbia with 28, 20th Century-Fox with 25, Warner Bros. with 24.

COVER STORY

Positioning cable for the future by making strategic choices today

MSOs face uncertain options for maintaining an enviable marketplace position

By Fred Dawson

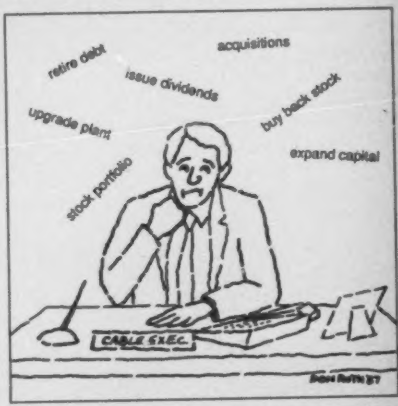
Clout—there's no better way to know an aggressive competitor than to point a decibel meter at the clamor rising in his wake.

The cable television industry has clout. And judging by the range of strategies cable operators are pondering to ensure they remain competitive, any decibel meter hanging on the media arena wall a year or two from now could easily end up looking like the one NBC used to measure crowd noise in this year's World Series. By the middle innings of Game 4 in the Minneapolis Metrodome, that device was completely blown.

Cable executives from several top MSOs, sharing their thoughts in a recent series of interviews, mapped out long-term strategies for growing their companies and securing their market positions that lead to two conclusions: With operations rolling along in a well-oiled groove, the subscriber growth momentum looks sure to carry the industry to the 70 percent level over the next four to five years. And at every notch up the penetration scale, the battle to secure market position likely will grow more heated and more controversial.

This market position is an enviable one to be in, easily qualifying for the overused accolade, win/win. In May 1985 the National Cable Television Association issued what was then viewed as a very optimistic report on the industry's future. By 1990, the report prepared by Arthur D. Little said, the subscriber count would hit 48 million, 60 percent of all television households, representing a growth rate of 233,000 customers per month over the five-year span. In actuality, with the subscriber count now at about 44 million, the monthly growth rate from the end of 1984, when there were 34 million subscribers, has been just under 300,000, well ahead of the expected pace.

Of course, as more urban newbuilds completed the first-pass phase of marketing, the monthly pace was expected to tail off, and it has. Arbitron's latest figures on cable penetration indicate that the pace between May and July of this year was about 225,000 new customers per month. But with several cities that participated in the late wave of franchising finally starting to come on line, and with operators reporting higher-than-projected subscriber growth throughout 1987, it may well be that the 225,000 rate will hold. If so, the household penetration by the beginning of 1990 will be at 62 percent with the sub count at 49.6 million, 1.6 million over Little's projection.



Executing strategic decisions requires careful financial planning, backed by bushels of cash. MSO moneymen discuss their key investment thinking, page 130.

To get to 70 percent by the end of 1992, the five-year target many cable executives have set for themselves, would require a gain of another 6.5 million subscribers or so over that early 1990 total, which translates into a growth pace of only 178,000 subscribers per month between early 1990 and the end of 1992. Achieving such numbers will require that operators and programmers sustain the full-court marketing press they currently have underway, but the goal looks reachable, and that's all the reason the MSOs need to keep the heat on.

But if the cable companies are confident that the better-than-projected re-

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sults of their current marketing tactics will carry into the foreseeable future, they also understand that such good fortune will expose them to an ever intensifying lime-green light of envy eminating from all directions. Consequently, they're thinking tough thoughts about what might have to be done to keep would-be intruders at bay.

The question is, will the tactics work? Is it really possible that this ragtag band of media outsiders is headed for the market dominance that a 70 percent penetration rate inevitably portends? Has cable become the dream enterprise all business leaders long for, the win/win situation in perpetuity?

Getting at an answer requires an analysis of how the industry approaches its growth challenges, structurally and operationally, and an inquiry into the issues surrounding the competitive threat, especially in light of how the MSOs view that threat and their options for dealing with it. A key issue appears to be whether the symbiotic relationship that has made programmers and operators partners-in-arms can be preserved in a way that secures the operators as exclusive purveyors of the product to the lion's share of the nation's households.

Concentration, both real and imagined

The past five years have produced an aura of tumult on the operations side of the business. Acquisitions, consolidation and integration have shaped perceptions of the trendline. But the MSO lineup may be more remarkable for its stability over the past five years than for its shifts.

At the end of 1982 the subscriber count stood at 28.2 million, with 15.6 million or 55 percent of that total held by the top 20 MSOs. Five years later, with the sub count at 44 million, 25.3 million or 59 percent of the total falls to the top 20, representing an increase in top-20 concentration of only 7 percent.

Similarly slight increases in concentration occur over the same period for the top 10 (from 42 to 45 percent) and the top five (from 29 to 32 percent). These calculations include Heritage, UA Cablesystems and Tele-Communications Inc.'s other majority-held properties as part of the largest MSO, which, including these properties, has gone from an 8 percent market share five years ago to 14 percent today.

As for the players in the upper levels, since late 1982 four out of the top 20 group (Group W, CapCities, General Electric and Liberty) have dropped out of cable operations altogether, and one player that didn't exist then (Paragon, though it is half-owned by American Television and Communications) has entered the top 20. Fourteen of the companies that were in the top 20 five years ago still are.

What all this points up is that the acquisition process has largely been focused in the absorption of lower echelon cable companies by top 20 firms simultaneous with the emergence of new lower-echelon players at a pace that keeps the subscriber distribution ratios relatively stable. This process is one that has been going on in cable for decades.

Jimmy Doolittle

Organizations tailored to fit differing agendas

With 45 percent of the business under the control of the top 10 MSOs, any analysis of operations that focuses on that group overlooks a bigger piece of the pie. But the methodologies employed by these big fish and the results that flow from them set the guidelines for the business. Judging from discussions with executives of these companies, there is widespread consistency in how operators are going about their businesses.

Four years ago, ATC's top executives decided to loosen their control over decision making at the system level just as the second-largest MSO was buying and swapping its way to consolidation over ever larger, ADI-wide systems.

Jimmy Doolittle, executive vice president and COO for ATC, discussed the difference decentralization has made: "When I was president of operations and we were trying to make decisions for all our systems, we would have to make 28 to 30 technical decisions alone on a daily basis. We realized you can't grow the way you need to if things are managed that way."

The same realization hit most other major MSOs at about the same time, with similar results. But if many of the details of day-to-day decision making have been removed from headquarters agendas, the strategic decisions and the nuts and bolts planning at the core of the business remain the purview of senior management, as is clearly evident in the marketing, packaging, pricing and program selection procedures discussed below.

While decentralization and the degrees of headquarter control over decision making have occurred along similar lines from company to company, there has been a great deal of variation in how companies are divided internally. Many, like TCI, have set up divisions by large multi-state geographic regions. Others, companies with a number of large urban systems, established divisions by cities or ADIs, and lumped the remaining, rural systems into national divisions. ATC and Warner Cable are structured this way.

Some firms, like Continental, divide themselves into a large number of divisions, sometimes two or more to a state, with rural and urban systems often included in any one division. And some, like Jones Intercable, rely on factors other than geography or degree of urbanization to define their divisions.

Greg Liptak, president of Jones, noted, "Three years ago, when the company was organized on a geographical basis, it was hard to track the performance of our limited partnership funds and to identify problems that were common to any one fund. A division might be performing great, but there would be trouble with an individual system. And over in another division there'd be another problem system belonging to the same fund. Both divisions could be doing very well on the bottom line, but the fund common to the two systems might be getting into trouble without our realizing it as early as we might. So now the divisions are organized by funds. We might have a fund with a system on the East Coast and one on the West Coast,

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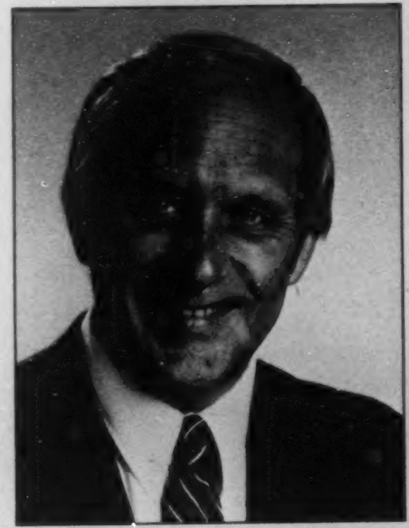
but we discovered the one or two extra hours you spend on the airplane managing over a dispersed group of systems pays off in the long run."

Buying subscribers or growing your own

However they're divided up, though, the cable giants have come to many common conclusions regarding the way to grow their companies. For many if not most MSOs, acquisitions still figure significantly in the equation. Among the leading MSOs, TCI, Continental, Comcast and Jones have been especially aggressive. But more and more operators are inclined to put greater priority on growth through marketing and improved customer service.

Said Trygve Myhren, chairman of ATC: "Growth through acquisitions is not all this business is about. It's always helpful to be able to build your company through acquiring properties that represent good opportunities. For some companies it may provide more leverage when it comes to buying programming, though we're already beyond the size necessary for achieving maximum price advantage.

"But acquiring systems isn't nearly as important to our future well-being as quality operations—things like good customer service, offering good value in our pricing and packaging, keeping the debt-to-subscriber ratio low. What's happened is the publicity surrounding TCI has left the impression that size is the be-all and end-all, and that's just not so."



Greg Liptak

Some MSOs are shying away from acquisitions out of a reluctance to pay the present system prices. Others are constrained by recent changes in ownership. Viacom Cablevision President John Goddard, noting the constraints flowing from the highly leveraged status of Viacom Enterprises in the wake of Sumner Redstone's takeover, said: "The situation gives us the opportunity to focus more than ever on in-house marketing and improved customer service and penetration. There's only so much you can add to your revenues through pricing. You can't go on taking a $1 rate increase every year. Really, going forward, the greatest leverage we have for adding to the bottom line is through adding new customers."

Jim Cownie, president of Heritage Cable and chairman of the National Cable Television Association, sounds a similar theme. "The big change at

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November 1987
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Cable's top 20 MSOs—five years of change

1982		1987	
Company	**Basic sub count**	**Company**	**Basic sub count**
TCI	2,200,000	TCI	4,200,000
ATC	2,057,000	ATC	3,500,000
Group W	1,759,000	Continental	1,482,000
Cox	1,227,000	Storer	1,418,000
Storer	1,065,000	Cox	1,404,000
Warner	1,000,000	Warner	1,367,000
Times Mirror	740,000	Comcast	1,200,000
Newhouse	662,000	United	1,110,000
Rogers/UA	662,000	Newhouse	1,029,000
Viacom	609,000	Viacom	1,020,000
Continental	532,000	Heritage	1,019,000
United	517,000	Jones	928,000
Sammons	504,000	Times Mirror	896,000
Telecable	359,000	Sammons	821,000
Capital Cities	308,000	UACI	781,000
General Electric	302,000	CV Systems	741,000
CV Systems	264,000	Paragon	643,000
Heritage	258,000	Century	600,000
Comcast	250,000	CV Industries	585,000
Liberty	245,000	Daniels	561,000
Total	15,590,000		25,307,000
Total industry subscriber base	28,200,000		44,000,000
Percentage of subscribers in top 20	55%		57.5%

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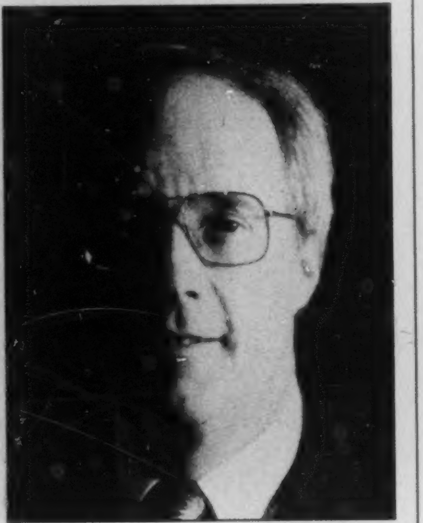
Heritage (since TCI gained control by backing a management-led buyout) is that we're out of the acquisition market, at least temporarily. Heritage in the past was driven by expansion through acquisitions as a major goal. But now the nature of our balance sheet is such that we're unable to pursue acquisitions. This has had a big impact on our management team, and it's been good in the sense that a lot of us, instead of thinking about the next acquisition, are able to focus on providing our customers the best service possible. Tender love and care of our customers is very important to us."

No matter what the emphasis on acquisitions, MSO executives discussing their priorities inevitably bring up customer service. At Jones Intercable, for example, where the search for new acquisition opportunities never lets up, the company has established a stringent operations policy requiring every department to weigh customer impact before making any important decision. According to John Mathwick, marketing vice president, this includes determining the likely effect on potential as well as existing customers and identifying what opportunities for acquiring new customers are intrinsic to any decision.



Trygve Myhren

"We act as a resource for other departments," Mathwick said of his marketing group. "For example, when engineering is executing a rebuild they'll consult with us on how the contractors should be educated to handle subscriber contacts—what their attitude should be in approaching the customer and what should be said, approaches to digging up the backyard and landscaping when the work is done."

At TCI, Art Lee, vice president of operations, has been spearheading a company-wide effort to identify what should be done to improve customer service. "We're down the road on that," he said. "Now the challenge is implementation."

The implementation is being facilitated by headquarters-level monitoring of how the systems are handling their phone traffic, which Lee said is the area of most concern. Although TCI has vested more autonomy in its five divisions than most MSOs have in their divisions, this is one area where headquarters is taking a very direct role. Some of the larger systems have been supplied with automated phone traffic monitoring devices, Lee said, allowing the divisions to turn in detailed accounts of performance on a monthly basis. "The effort is yielding results."

But if headquarters authority and direction has been essential to the industry's campaign to improve customer service, decentralization and the vesting of more self responsibility at the system and division levels have been equally important to the results of such efforts. Attitude is the key.

Kevin Rorke, an executive vice president at ATC with authority over nine divisions representing 20 percent of the MSO's subscriber base, conceded that the customer service effort has been costly, in terms of dollars spent on telephone systems, training and higher salaries. But, "More important than what you spend are the attitudes of your people. Giving our people more freedom to run their affairs has had a big impact on attitudes. They're our representatives in the community, and they want to be identified with a business that's well received. How they run things determines how people feel about the business they're identified with. Where cable is concerned, a person is in a highly visible business at the community level."

One example of how greater freedom in decision making translates into better relations at the community level is the latitude ATC gives its customer service people to settle disputes over customer credits. "This is a small matter," Rorke said, "but, before, any time a customer had a claim to make,

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The fastest growing MSOs in top 20 (1982-1987)

Biggest volume gains		Percentage	Biggest percentage gains	
TCI	3,800,000*	172%	Cablevision Industries	480%
ATC	1,443,000	70%	Jones Intercable	418%
Comcast	950,000	380%	Century Communications	253%
Continental	950,000	181%	Daniels	229%
Jones Intercable	748,000	418%	Cablevision Systems	182%

*TCI growth figure includes Heritage and UACI. If Heritage were included separately in growth comparisons, it would rank fifth in overall volume of growth, at 761,000, and third in percentage growth, at 295%.

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the issue would have to be passed up the chain of command for a decision at a higher level, irritating the customer every step of the way. Now the person dealing directly with the customer has authority to approve refunds. This not only provides the customer with more timely service; it also gives our representative a deeper involvement in the contact with the customer."

The same sort of headquarter-push, system-pull sharing of the operations mandate characterizes virtually every facet of the MSOs' marketing efforts these days. "In my view of the world," said Comcast Cable President Bob Clasen, "you want to make as many decisions as possible as close as you can to the market level, but you also have to set the window of options and provide the overall sense of direction from the top. What's right for Tupelo, Miss., may not work in Flint, Mich."

In planning the year's marketing operations, Clasen said, headquarters puts together a menu of options that might detail 30 promotions and the mix of tactics that go with them. A few will be designated as musts for all systems, he said, including the national campaigns of certain programmers and the introduction of certain offers, such as price breaks on remotes and extra outlets. But, otherwise, the company's six regional divisions choose what they want from the menu of options within budget parameters that have been negotiated with company management.

The headquarters marketing group, consisting of specialists with such skills as production, copy writing and printing, then supports these choices by generating a large share of the material to be used. According to Clasen, about 70 percent of Comcast's marketing material is centrally produced, which gives a common look to most of the systems' marketing efforts.

Similarly, at Continental, the third-ranking MSO, the headquarters marketing group serves as a resource to the field marketing people, providing consultation on strategy and producing the marketing materials. According to Marketing Vice President Ted Livingston, along with the day-to-day tactical decisions, the field people also are able to choose which programmer campaigns they want to participate in. "We give them advice on which ones to go with," he said, "but they decide, and they also determine the amount of radio or TV broadcast advertising, the level of direct mail support and other elements of the marketing mix. Our role is to provide them with good information based on what other people have experienced."

Such flexibility allows field people to try new things, Livingston noted. For example, broadcast previews of cable programming were initiated at the field level and have caught on among larger systems where Comcast dominates the ADI.

United Cable, ranking right behind Comcast at the No. 8 slot, has set up a national marketing unit to take care of the company-wide campaigns planned by headquarters executives. This represents a somewhat heavier emphasis than many other MSOs have on national projects operated from headquarters, but decentralization and dispersal of authority are well ingrained into the corporate culture, according to Nimrod Kovacs, United's marketing vice president. With only three people devoted to field operations at headquarters, he said, much is left to the discretion of system personnel.

Kovacs said the importance of system people's participation in the planning and decision-making processes shows up not only in the ideas and experience they bring to the table but also in the enthusiasm they have for carrying out strategies. "I'd rather have a good-to-mediocre strategy and excellent execution than great strategies that aren't properly implemented," he said.

As for specific marketing tactics, there is wide agreement that door-to-door sales are still a vital part of the mix, especially for reaching newcomers to a neighborhood or potential subscribers in newly-wired sections. But other tactics have gained much greater shares of the marketing dollar as the need for troops in the first-pass marketing phase has diminished.

Said Clasen: "We use door-to-door sales where it's appropriate, but we use the most efficient methods in our sales approach, and often that's not door-to-door. When we acquired our Group W systems we laid off nearly all the door-to-door sales people in those markets. In two or three systems we've brought some back in, but we rely more on direct mail and telemarketing."

Not only has the proportion of telemarketing in the marketing mix risen rapidly, but also the role has broadened. Clasen and most other executives pointed to the follow-up calls telemarketers make after installation or service visits as an essential part of the ongoing effort to maintain good relations with customers.

Art Lee

To Clasen and some other executives, this broad role is better left to system-level telemarketing operations. But Heritage has found that it can achieve important benefits for its smaller systems by using a national telemarketing center assigned an 800 number. Sales calls are made to nonsubscribers as well as subscribers, who are pitched for service upgrades, but the national telemarketing group also is charged with customer service follow up. Jim Cownie said this unit has contributed to the company's reduction

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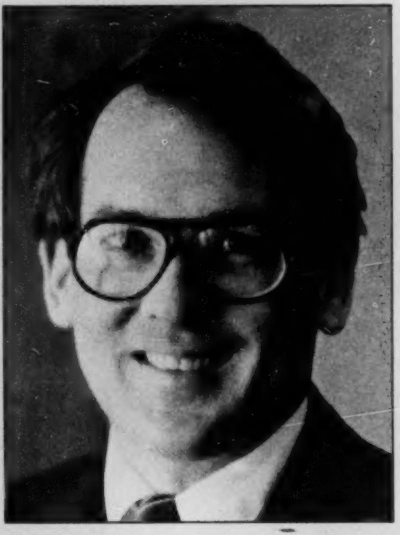
of churn.

Jones, too, has a national telemarketing group, which has been growing steadily since it was formed a year ago and soon will include 35 people near the Denver headquarters. The unit has been used by other MSOs, including Viacom and United, for special campaigns, John Mathwick noted, and he hopes to see that use expand.



Jim Cownie

Up until now the group's efforts have focused on current subscribers, with special sales promotions rolling steadily through the systems, day in, day out, often in conjunction with newspaper and broadcast advertising campaigns that provide the center's 800 number. But Mathwick said there's a strong likelihood the group will be used to pursue non-subscribers as well, based on the successes Jones is seeing in a test project involving delinquent former customers in Augusta, Ga., whose debts have been written off by the system. Offering to allow them back on the system if they pay half the outstanding bill and a penalty fee as well, Jones has had a 20 percent rate of signup from the telemarketing effort, Mathwick said. But for non-subscriber contacts in general, he added, door-to-door is still the way to go.

As for the fastest growing weapon in the marketing arsenal, Cownie, echoing others, had this to say: "Broadcast TV is a terrific advertising vehicle. As markets consolidate and merge and co-ops develop, broadcast becomes more efficient, so cable operators are finally able to use the medium."

But tossing broadcast TV into the hopper along with radio, newspapers, telemarketing, direct mail and door-to-door significantly increases marketing expenses. In Cownie's opinion, the industry still has a long way to go before it is spending what it should to realize its potential. "Historically, the industry's share of marketing expenses as a percentage of revenue has been closer to 1 percent than to 5 percent," he said. "At Heritage we're on the way to 3 percent, and I want us to get to 4 or 5. A great case can be made that operators need to spend more on marketing now that urban construction is largely behind us."

Some budgets have more room for such growth than others. At Viacom, the drive to foster growth through marketing as opposed to acquisitions comes at a time when finances dictate that the goal be achieved through greater productivity as opposed to more spending. But John Goddard and his team have reason to believe they can get more bang from an already sizeable marketing outlay by following productivity precedents established in fast-growing systems like San Francisco and Nashville.

Last year's wave of direct mail campaigns, broadcast radio and television advertising as well as personal and phone contact with customers in San Francisco put the system over the 100,000 subscriber mark, and it was followed by more of the same this year, resulting in net subscriber growth of nearly 15,000 or 15 percent through October. Aggressive marketing in Nashville has produced similar results for the company, which began the year there with just under 73,000 subscribers and now is at 83,000.

As a result of such successes, budget stringency or not, some systems will be challenged with significant growth goals for the coming year. "We're allocating the marketing dollars to systems that will produce the greatest gains," said Ed Bennett, executive vice president of Viacom Cable. "But these people will be under no more pressure to make their goals than anyone else, because we try to allocate risk so that everybody is on an equal footing when we measure their performance against goals."

With its emphasis on growth through improved productivity, Viacom is not likely to be overly optimistic about its penetration potential. When John Goddard says he sees 70 percent penetration within reach for Viacom in five years, he is citing a target that operators were not all that confident about as recently as a year ago. But that was before anyone knew how the new post-deregulation pricing and repackaging strategies would play in the marketplace.

Art Lee, at TCI, said he spent six months of last year looking at the MSO's options, poring over market results from all corners of the company's empire, before recommending a pricing and packaging strategy that turned out to be the direction many other MSOs were taking—raising basic rates a couple of dollars or so while enhancing value by adding channels and lowering or eliminating charges for ancillary items, such as second drops, remotes and guides, and, at the same time, effecting some reduction in pay rates through lower multi-pay prices or even lower standalone pay rates.

With intensified marketing efforts supporting the introduction of such pricing and packaging, the MSOs have sailed through the year at higher growth rates than most of them budgeted for. And some of them already are at or over the $14 basic rate Arthur Little predicted as the industry standard in 1990.

Art Lee

Most operators, if they're not already there, see $14 as a price that won't tweak subscriber value sensitivities. Bob Clasen, who said Comcast's basic rate averages $13 right now, commented, "Basic programming has been undervalued. We see the price going up a couple more dollars."

But Clasen and most others say the pricing trend will continue along the moderate lines established this year.

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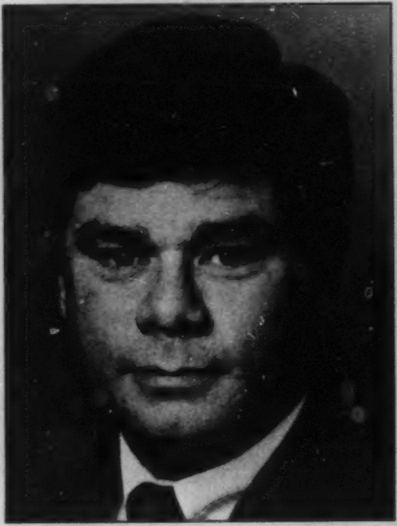
"Yes, there's more room for basic rates to go up," said ATC's Kevin Rorke. "But our strategy is a volume, not a price strategy. We're going to grow revenues by adding subscribers more than we are by raising prices. We'll continue to introduce moderate basic rate increases from time to time, and we'll probably continue to hold the line on pay prices."

Similar thinking has characterized Ed Bennett's pricing strategy of late. Assessing at the subscription trend over the past couple of years, Bennett noted that Viacom, like many other MSOs, was gaining much more from basic growth than from pay growth. To "protect" pay households in the rate adjustment process that kicked in with deregulation, Viacom added only 50 cents to pay households' overall rates in many systems while raising the price for basic-onlys by $1.50.

"We're walking away from a lot of money," Bennett said. "But we're communicating this to our customers so that they understand that there are price benefits associated with buying pay services."

The pricing strategy Bennett has mapped out for Nashville is typical of the approaches to price adjustment the MSOs have been making and will continue to make in 1988. In January Viacom will collapse the system's super basic tier, priced at $17.45, which will add ESPN, FNN, CNN, VH-1 and the Discovery Channel to the basic lineup. Basic will be priced at $14.95, representing a drop of $3 for those who were paying for super basic, and an increase of $2 for those who are on basic.



Kevin Rorke

"Biting the bullet costs you money," Bennett said. "With this kind of pricing we're moving into a reinvestment strategy."

With such pricing and packaging strategies showing no sign of slowing subscriber growth rates, John Goddard voices a widely held—if not the majority—view when he cites the 70 percent target as a reasonable five-year goal. Many companies' growth trends support that view.

At Continental, for example, Ted Livingston expects the company penetration rate to continue growing at the present pace of a point per quarter at least through next year, which would put the company over the 60 percent mark sometime in 1988. That would leave the 70 percent level within reach by late 1992 at a growth pace of only 2.5 points per year over the last four years of the five-year span. Other companies, including TCI and Com-

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cast, also expect to be at the 60 percent mark a year from now.

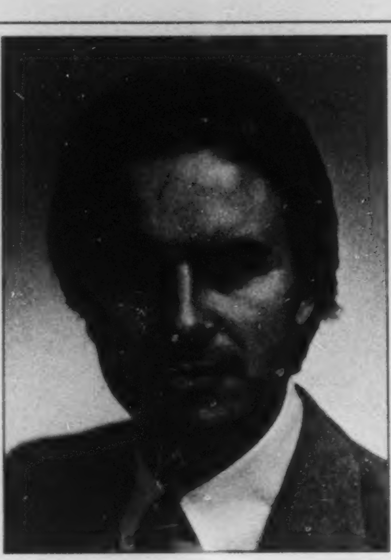
The MSOs believe they can sustain such strong growth rates as a result of several factors that are in play during the present boom and are expected to continue. Better product is one widely cited and obvious factor. Churn reduction, stemming from the customer service effort, is another factor, with plenty of room left for further reduction. Improved marketing and packaging are high on the list of important growth drives as well.

But in addition to this there is the force—call it cultural momentum—that is greater than the combined effects of all these other factors. Said Trygve Myhren: "Programmming gets better. Customer service gets better and better. There's no reason to think the growth rate will slow. In fact, the rate of increase in penetration will speed up. People are noticing cable like they never did before. They're realizing cable is supplying them with entertainment and information they can't get elsewhere. People talk about what they've seen on cable, and those that can't join the conversation because they don't have cable begin to wish they did.

"As we told the analysts on Wall Street this year," Myhren continued, "the climate has changed. Whereas, in the past, once you got systems up to 55 percent or so, every point above that was a tough struggle, that's no longer true. For the remaining group of people in the marketplace who don't have cable, it's getting much harder to resist."

Most cable operators would agree that the cultural momentum has shifted strongly in their favor. Said Clasen: "With cable in 50 percent of all television households, the industry has achieved the critical mass that ensures future growth. Everybody knows about cable now. As more and more kids grow up with it in their homes, a whole new generation is coming of age with cable TV as a given in their television viewing habits."

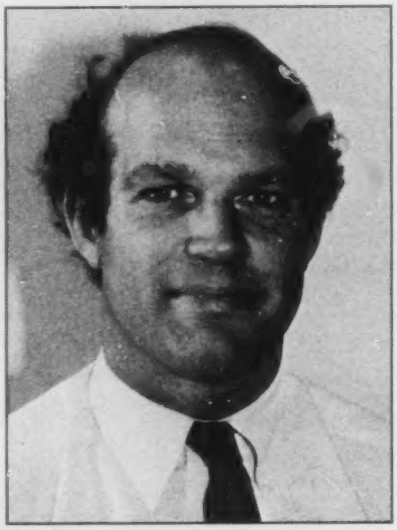
But that given carries a challenge, which is to prevent boredom and dissatisfaction from setting in by continually improving the product. For the cable industry this is much easier to do than for the broadcast networks, which must achieve innovation within the narrow confines of a single channel already loaded with successful programming that can't be supplanted without alienating a large share of the audience. Cable, with its wide channel array, is caught in no such rut.



Bob Clasen

The well-documented successes of pay-per-view, home shopping and ESPN's National Football League package leave no doubt that the cable industry has the ability to prevent the viewer's plate from growing cold by moving simultaneously on three fronts: Achieving ever more programming variety and improvements through technological innovation; opening new narrowcast windows; and developing broadcast-appeal programming that is exclusively cable's.

How vital is this three-pronged attack to sustaining the drive to 70 percent penetration? Judging from the chorus of calls from industry leaders for continuing programming improvements and the investments that they require, there's a sense that such things must be done. But there are differences over just how urgent the need is.



Ted Livingston

Clasen sees the growth curve continuing upward primarily as a result of the marketing and customer service improvements the industry is employing with the present base of programming. "Impulse pay-per-view will help," he said. "Home shopping helps. HDTV may help. But I don't see any special thing producing dramatic lift. It will be steady growth built on solid marketing that gets us to 65 or 70 percent penetration over the next five years."

Noted Kevin Rorke, who reported that ATC is on the verge of rolling out PPV to its 850,000 addressable customers: "Innovation and programming development are important, but you win the game with steady blocking and tackling."

Other executives, like Nimrod Kovacs, believe rapid growth beyond the 60 percent mark may not be a given of the industry's future without dramatic programming improvements, especially when it comes to the third area of development noted above—broadcast-type programming that is exclusive to cable. While Kovacs has high hopes for the impact of PPV, which United is introducing in all its markets, he believes there is a vast core—the "broadcast crowd"—of viewers who can only be lured to cable with better broadcast-network-style fare. Noting strides made by USA Network, Arts and Entertainment and Lifetime in this direction—"$100,000 per hour for cable-exclusive programming was unheard of in cable until now"—Kovacs nonetheless said the surface barely has been scratched, especially when broadcast network outlays are in the $1-million-per-hour range for some shows.

With just the NFL representing a $200-million bite, Kovacs said, achieving the level of programming essential to satisfying the "broadcast crowd" won't be easy. But he and others believe the commitment exists among a sufficient number of MSOs to ensure that what needs to be done will be.

Obviously, differences in emphasis notwithstanding, the industry consensus is that the lineup must and will get better. And this raises a key question bearing directly on the industry's agenda for the next two years and indirectly on the question raised at the outset of this article regarding the latitudes, from a political and legal standpoint, that operators have in exercising their market clout.

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Looming shakeout of programming networks

The issue is channel capacity. "We're flush," is how Ed Bennett described Viacom's channel space availability. Said Jones Intercable's John Mathwick: "Even our 54-channel systems are running out of space." Indeed, after all the construction, with newbuilds and upgrades implementing technological advances that permitted operators to expand systems to the two most common plateaus—36 and 54 channels—the industry finds itself flat out of shelf space to accommodate the new programming innovations essential to steady growth.

As a result, a strong majority of MSO executives interviewed for this article said that reviewing the performance of programming with an eye toward weeding out marginal performers is high on their lists of priorities for the year ahead.

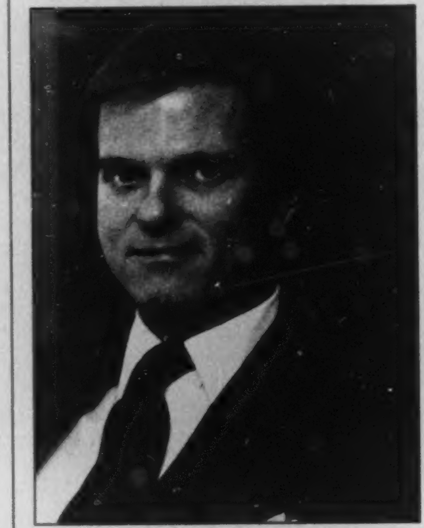
Of course, with the freedoms accorded by a less restrictive must-carry rule, duplicate broadcast stations and those with low ratings are on the list of potential expendables, but so are low performing cable networks, including some pays.

"I don't think we can go on adding channel capacity indefinitely," said Bennett. "We have to not be afraid to weed out weak performing sources of programming. One decision we have to make concerns the shopping services. This could be the first category that we do some cutting in, or we could decide to expand the category. Right now we have a commitment to CVN (Cable Value Network) and we're testing everybody else, using different services in different systems. So we don't know yet which way we're going to go. We have a tremendous economic incentive where home shopping is concerned, so it's not easy."

Adding to the incentive to open up channel space, Bennett noted, is the approach of HDTV, which may be "bandwidth greedy." And pay-per-view adds another, even nearer-term element to the mounting pressure to find channel space. Most MSOs now see PPV as an important part of their future programming mix, and virtually all of those that do believe PPV will require at least two channels to be effective.

"There are going to have to be some tough decisions made by the cable industry," said Bob Clasen, "not necessarily in 1988, but definitely in 1989, when a lot of contracts expire." Which means next year will be a time of systematic scrutiny of programming performance.

At United, Nimrod Kovacs and his team are developing a complex performance model to assist them in evaluating their channel lineups. "We need to learn from the broadcast networks," he said. "If shows don't cut it in the ratings, they take them off."


Ed Bennett

Kovacs, who said he spends most of his time these days on programming issues, including the question of investments in new programming, is seeking to quantify each channel's contribution by determining the marginal cash flow attributable to each programming source in every United system. Using this model, United will be able to review each system lineup when considering adding a new channel, and weigh what it expects from the new service against what it is getting from existing services.

Getting aggressive about exclusivity

While a widescale weeding-out process appears likely and could leave some programmers and a few broadcast stations out in the cold, the undertaking on its face doesn't seem likely to cause any serious political difficulty. But there is another element to the emerging MSO agenda that could interface with the pruning process to provide concentration-issue advocates more grist for their cause.

"I've been saying it for the last three years," said Bob Clasen. "The program suppliers I've made successful in my markets, the ones who wouldn't have a business if we hadn't gone out and invested in the wires and personnel necessary to open a market to them, I should have the right to be the exclusive provider of in those markets. Comcast made HBO in Flint, Mich., and Comcast should be able to capitalize on that effort without someone else who made no such effort coming in and competing against us with that same programming."

Said Jim Cownie: "I think that to the extent that the cable industry's main mission is to provide diversity of programming to the American public, the best way to ensure that the industry will serve that mandate is to allow the cable industry to invest in programming that will benefit it with an adequate return on that investment. If we're denied the right to negotiate terms that will provide reasonable assurance of return on successful ventures, the American public will be short-changed."

Trygve Myhren, who preceded Cownie as NCTA chairman, agrees. "Exclusivity is something you want on all the product you've spent your lifeblood on," he commented. "I think most people today feel at least a certain amount of exclusivity is acceptable from a legal standpoint. The issue isn't a legal one. It's a political issue."

In a conversation earlier this year, NCTA President James Mooney strongly defended the industry's right to pursue exclusivity. Asked whether such efforts would bolster contentions that cable operators are in a monopolistic position, Mooney said: "To use the term monopoly... is to conjure up visions of something untoward going on. The local NBC affiliate has a monopoly in the delivery of NBC network programming. So what? As long as, in economic terms, there are generic substitutes available to people, whether programmers or advertisers, who want to get a message out, and to people who are the viewers, the concept of monopoly is without relevance.

"I said in a speech two years ago," Mooney continued, "that cable was going increasingly to be entering arguments over issues with an antitrust flavor to them as a consequence of the horizontal ownership patterns that were developing and as a consequence of a certain amount of vertical integration that appeared likely to occur.

"The cable industry badly needs quality programming, and the people with the greatest vested interest in seeing programming improve are the

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cable operators. This is a socially useful phenomenon. The public is better served in getting better quality programming for what it pays cable operators.

'But one of the things that happens as operators seek ways to ensure development of better programs is that they encounter arguments from their competitors that are tinged with antitrust issues. This isn't something to gnash our teeth and tear our hair out over. It's a consequence of living in a competitive world," Mooney said.

As operators look at the potential for intensified competition from overbuilds, including the possibility of widescale introduction by telephone companies of broadband fiber networks, they are thinking about securing exclusivity not only over new programs on a piecemeal basis—as in the deal worked out with ESPN in exchange for backing Sunday NFL football—but also over existing networks as well. Negotiations along these lines have begun in earnest with some programmers, but so far operators have encountered stiff resistance, largely on legal grounds.

Said Clasen: "We have exclusive contracts with a couple of our suppliers. Our attorneys tell us that they can give us those exclusive rights. But we haven't been widely successful so far in achieving such arrangements with most of our suppliers, because the lawyers for the programmers tend to be more conservative on the issue."

Richard Berman, a member of the New York law firm of LeBoeuf, Lamb, Leiby & MacRae, whose client base is comprised of many television entertainment interests, including cable operators and programmers, has no question as to the legality of exclusivity.

"It's an accepted and well-known concept in the entertainment industry,"he said, "whether it's in arrangements between broadcast networks and their affiliates, or in motion picture studio policies respecting distribution windows for their product, or recording industry contracts with talent. We haven't looked at the question in depth yet, but I see nothing that stands in the way of operators securing their business through exclusive arrangements with their suppliers, so long as such contracts are negotiated individually by each operator."

Attorney Paul Glist, with Cole, Raywid, Braverman in Washington, concurs. "Exclusivity will probably be challenged," he said, "but I think we will see the industry free to move toward exclusive arrangements with their suppliers. I find it ironic that cable is accused of parasitic behavior by those who oppose its latitudes under syndicated exclusivity and the compulsory license and, on the other hand, when it creates and seeks ways to perpetuate its own development of programming, is accused of monopolistic practices by the same people. Someone has decided we're damned if we do and damned if we don't and is trying to shape the public policy arguments accordingly."

Nimrod Kovacs

Sensitivity to the antitrust issue and the political environment makes Goddard somewhat cautious on the question. "I think it may be possible for companies to negotiate and pay a premium for exclusivity," he said. "Ultimately the decision has to be made by the programmers as to whether their futures are best served by supporting the industry that gave them birth or whether they're better served by undermining that large base of subscribership by competing with themselves. It's an economic question that will be decided by what best serves programmers' interests."

But Goddard added that the industry might be better served and on safer ground if it limits exclusive arrangements to new programming in which operators have a direct interest.

While many operators expect to see an intensification of overbuild activity in the year ahead, overbuilding doesn't appear to be contributing to interest in program exclusivity. Myhren, noting that ATC has seen some overbuild competition in some of its markets, said: "Our penetration growth is better in those systems than it's ever been. The presence of another operator just makes us go after the business more aggressively. We'll see more overbuilds, but you know who's going to come out on top."

But Myhren also said that obtaining exclusive arrangements with at least some program suppliers is "very important" to the future of the business. And many other operators concur.

Rich MacDonald, an analyst with First Boston Corp., goes even further. Asked if exclusive arrangements with programmers are vital to the MSOs' future, he replied "There's no question about it."

But Jim Cownie comes at the question from a different perspective. "There are barriers to telcos providing cable services," he noted. "And there are barriers to building networks that would negatively affect telephone rates. But the telephone companies have been very persuasive in presenting their financial views to the PUCs. If they were able to convince the PUCs or the Congress to allow them to build fiber optic networks, there is no regulatory barrier to their leasing excess capacity to providers of cable services. That's the more realistic source of concern." Asked whether this means there may be a need for legislation to block telcos, Cownie replied "Yes."

But there's as much risk in depending on winning legislative protection as there is in hoping that existing barriers will prevent telcos from proceeding with their fiber networking plans. To many operators, programming exclusivity is the surer route to long-term security against the potential of monopoly-subsidized competition. Just how safe a bet that course may be could be decided by the courts in the not-to-distant future.

With many programming contracts coming up for renewal in the next year or two and operators looking at ways to open up limited shelf space for new product, the MSOs are in a strong position to bargain for exclusivity. And there is where pursuit of that course could be problematic.

A leading cable attorney, who declined to speak for attribution, staunchly defended the operators' right to obtain exclusive contracts. "The only time there is a real concern is when there is a barrier to entry arising out of concerted, joint action," the attorney said. "In cable, programmers have abundant opportunity for entry, because there are so many operators." However, asked whether an illegal barrier would arise if a cable operator, as the sole outlet for a programmer in a given market, refused to carry the service without obtaining an exclusive contract, the attorney replied, 'I can't really answer that question." ■

Across the pond

Rapidly changing European TV offers profits, pitfalls for Yanks

By Fred Dawson

Are U.S. cable interests overlooking significant opportunities to participate in and influence the rapidly changing television frontiers of Europe?

Wide-ranging discussions with television executives on both sides of the Atlantic as well as visits to three important conclaves in Europe lead one to the conclusion that many companies may have jumped the gun in sizing up Europe up as a lost cause.

While cable programmers are beginning to scout the terrain in earnest, most operators are content to let others sweat out the immense hassles that go with exploiting what many view as a hopelessly snarled situation frought with high risk and a return-on-investment horizon that can only be dimly seen.

But events are unfolding rapidly. Anyone basing their views on where things stood a couple of years ago owes it to themselves to take another look. Europe remains a daunting prospect for even the most ambitious companies, but that assessment applies to the players there as well as stateside companies. As a result, television entrepreneurs throughout Europe are coming to the understanding that they will be better off drawing on the wherewithall and experience of the Americans than they will be if they shut the Yanks out.

That realization coincides with continuing relaxation of the regulatory barriers that for so long stood in the way of broadcast and cable television development. Great Britain, where cultural barriers—including those of the entrenched television community—are the chief hurdles now, has privatized much of broadcast and all of cable and telecommunications. France has opened the way to commercial television, including advertiser-supported and subscription service. West Germany and the Scandinavian countries are doing likewise.

This recent flurry of activity has seen new cable franchises granted in Britain, France, Germany and other countries and programmers rushing to form co-ventures to serve an anticipated demand for far more television than the peoples of Europe have ever seen.

Three years ago the only pan-European satellite channel of any consequence was Ruport Murdoch's Sky Channel. Today there are upwards of 20, and more are on the way in anticipation of space opening up with the launch of the Luxembourg-based, medium-power K-band satellite, ASTRA.

First of a five-part series

But if all the activity points to a day when television will be radically different from anything Europe has known, right now the appearance of things is very much along the lines of what always has been. Like a giant rocket just roaring off the pad, the movement is barely discernable. To a traveler tuning into television in Europe right now, there are a few changes from years past—more American shows with familiar faces speaking strange languages, advertising with quaint graphics and vaudeville-style punchlines.

The numbers tell the story: Out of 122 million television households, only 12 million are served by cable and another 30 million are on SMATV systems. Only a handful of the cable systems carry more than 12 channels. Cable revenues for 1987 are expected to be somewhere between $500 million and $700 million, on a growth curve that the British research firm CIT Research says is rising at an annual rate of 4 percent.

The two satellite services with the highest penetration, Britain's Sky Channel and Superchannel, both advertiser supported, stand at 9.7 million and 8.6 million, respectively. The next highest penetration among Pan-European channels is 2.6 million, held by West Germany's SAT-1 ad-supported service. Only one pay service, Britain's Arts Channel, has topped the million subscriber mark.

Obviously, things have a long way to go before there are truly noticeable differences. But behind the hype being generated by a vocal few who are pioneering new television development there are solid grounds for expecting multiple channel television, including pay, narrowcast and American-style broadcast, to take root. If they do, American concerns who have learned the ropes and endured the red tape will be in a fine position not only to reap results in Europe but also to ride the wave of global television expansion that appears sure to follow.

Viacom Cable, one of five U.S. MSOs actively pursuing opportunities in Europe, recently sent Executive Vice President Ed Bennett on a scouting expedition to the U.K. and France. Bennett returned with this view of the situation:

"There is a lot of potential for us over the long term, primarily as a program supplier but also as an operations management and consulting concern. The two positions can benefit each other very well. Our arrangement as a managerial consultant with British Cable Services in Oxford, England, led the way to the MTV deal with Robert Maxwell."

That venture with the British television magnate has just launched MTV Europe, a significantly altered version of the U.S. cable service featuring occassional clips from foreign-language hits and a broader range of musical styles.

MTV is the latest U.S. cable programmer to get involved in Europe. HBO and Showtime are in a partnership with 20th Century Fox, Columbia Pictures, British Cable Services and British Telecom, the U.K. telecommunications giant, Premiere, a pay service launched last year and now serving 85,000 homes. And several services, including USA Network, CBN, HBO and Showtime are in co-production

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European Satellite Networks

	U.S. participants	Satellite	Households
Basic networks			
France			
TV-5		Eutelsat 1-F1	3,600,000
Germany			
Elms Plus		Intelsat V-F12	1,740,000
Eureka		Intelsat V-F12	1,118,000
Musicbox		Intelsat V-F12	1,790,000
SAT-1		Eutelsat 1-F1	2,610,000
3-Sat		Eutelsat 1-F1	1,850,000
Italy			
RAI		Eutelsat 1-F1	1,500,000
Luxembourg			
RTL-Plus		Eutelsat 1-F1	2,200,000
Norway			
New World		Eutelsat 1-F1	100,000
U.K.			
MTV Europe		Intelsat VA-F11	2,000,000
Screensport	ESPN, ABC	Intelsat VA-F11	500,000
Sky Channel		Eutelsat 1-F1	9,700,000
Super Channel		Eutelsat 1-F1	8,600,000
U.S.			
CNN	TBS	Intelsat VA-F11	250,000
Worldnet	U.S. Information	Eutelsat 1-F1	800,000
Pay Networks (*indicates ad support; only satellite networks are included)			
France			
Canal +		(over the air, subscription TV)	1,582,000
Nederlands			
FilmNet		Eutelsat 1-F1	200,000
Switzerland			
Teleclub		Eutelsat 1-F1	30,000
U.K.			
Arts Channel		Intelsat VA-F11	1,100,000
Children's Channel		Intelsat VA-F11	110,000
Lifestyle		Intelsat VA-F11	110,000
Premiere	20th Century Fox Columbia Pictures HBO, Showtime	Intelsat VA-F11	85,000
Videotape delivered pay networks			
Finland			
Videokanava			23,000
Norway			
Janco-Vision			140,000
U.K.			
Bravo	Cablevision U.K.		5,000
Home Video Channel	20th Century Fox, Columbia Pictures, HBO, Showtime		

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deals with European producers and are marketing some of their homegrown product for syndication as well.

But the most visible American cable programmer in Europe to date has been Ted Turner. He launched CNN in Europe two years ago and was in Cannes in October shopping for programming to use on his various outlets, including the planned TNT basic channel, which he hopes to launch in the U.S. next year.

As for operators, in addition to Viacom, the players are Comcast, United, Cablevision Systems Development and Jones Intercable, all of whom, so far, are doing the large share of their business as management consultants or partners in management in the U.K.

To determine just what the opportunities and risks are for American cable interests in Europe requires a complex analysis weighing the nation-by-nation cultural, business and regulatory developments in the context of the larger Pan-European community. At the national level, this means gaining a familiarity with the history of television in all its forms, learning who the players are, understanding their strategies, reviewing the program supply situation and assessing the cultural and regulatory environments.

For anyone weighing the merits against the effort, a monumental amount of work and investment lies ahead, not unlike the scale of effort that operators have put into U.S. cable over the past 10 years. Indeed, the optimistic view of European cable is that it is where the American industry was 10 years ago. There are some who would put the comparison at closer to 20 years, and they have a good case to make.

CIT Research says the present growth rate in cable would put Europe at the 16 percent penetration mark nine years from now, with capital spending hitting levels of $1 billion annually by 1990. That would be more like U.S. cable 10 years ago.

In Britain there were false starts and disappointments following the Thatcher Government's move to encourage private development of television four years ago. But, Jon Davey, director general of the U.K. Cable Authority, makes a strong case against reading too much into that experience. One reason things are beginning to move rapidly in Britain, Davey said at a recent symposium at Columbia University in New York, is the nature of the franchising process itself.

Ten new broadband systems are now under construction, Davey said, with all of them in the 20- to 30-channel range and averaging 110,000 households per market. Another six franchises of similar size are now in the application review state.

As for France, things are even slower getting started, but the pace promises to be rapid and widespread because the complete cabling of France has become a matter of government fiat. France is especially significant as a touchstone for what lies ahead in European television and communications, because its decision to go into partnership with the private sector in wiring the country reflects a desire to achieve the necessary replacement of antiquated telecommunications plant without emptying government coffers.

With the next issue of *CableVision*, we will launch into the nation-by-nation review of where things stand, starting with these two very different countries. ■

BUSINESS & FINANCE

Limited partnerships seen rebounding as investors search out safe havens

Cable's long-term stability fits the bill, but MLPs still are considered expensive

By Virginia Munger Kahn

Despite a noticeable falloff in sales following October's stock market crash, cable executives and investment bankers involved in raising funds through the limited partnership market are anticipating an uptick in activity as investors seek safe havens for their money.

Public partnership sales summary

($ in millions)

	Third quarter			Cummulative		
	1987	1986	% change	1987	1986	% change
Real estate	$1,746.4	$1,490.1	17.2 %	$5,878.4	$5,757.7	2.1 %
Oil and Gas	344.1	593.7	-42.0 %	971.1	959.1	1.3 %
Equipment leasing	376.0	197.2	90.7 %	904.6	417.8	116.5 %
Cable TV	71.3	95.2	-25.1 %	306.6	185.4	65.4 %
Films & Media	0.0	64.0	-100 %	31.1	270.1	-88.5 %
Totals	$2,537.8	$2,440.2	—	$8,091.8	$7,590.1	—

Source: The Stanger Report

Cable partnership market of publicly registered offerings

# of Partnerships	Amount offered 1987	1986	% change
14	$985.0	$935.0	5.3%

Source: The Stanger Report

"We felt good about (the market) before the crash," says Gary Blemaster, managing director of Kidder, Peabody & Co., and now "post-crash we feel much better. Investors are reallocating their money, and some of that money will come the way of cable limited partnerships." Kidder Peabody currently is managing limited partnership offerings for Cencom Cable and HBO.

Investment advisers and others involved in the market say that while cable limited partnerships have performed well in recent years, sellers of limited partnership interests this summer had some difficulty persuading investors to put money in these more conservative vehicles when investors could realize returns of 30 percent and more in the stock market. Now that the market has crashed and remains volatile, many advisers say investors are looking for long-term deals with stability, and cable partnerships should fit the bill perfectly.

Not only is the industry viewed as fairly stable with steady cash flows that are recession-resistant, but also limited partnerships do not *appear* volatile since they do not trade like stocks. "People want an investment they don't have to watch every day. They still want to play, but they don't want to pay," says an account executive with a major New York securities firm.

"A big advantage of the partnership market is that it is non-tradeable," notes an investment banker. "It is not subject to the same volatility as the stock market," and because it is a longer-term vehicle, it is not subject to the same vagaries in pricing as publicly traded vehicles, he says.

In addition, the industry has built up an excellent track record in recent years, providing investors with good returns. According to two leading analysts of the limited partnership market, cable has outperformed real estate, oil and gas and equipment leasing partnerships hands down. Bill Brennan, publisher of Brennan Reports, says Jones Intercable has been able to make some of its investors five or six times their initial investment. "They provided a 742 percent return on one fund," he notes.

Says Dennis Gurtz, who heads up his own investment advisory firm, Dennis Gurtz & Associates, "Cable still is my favorite... over the last four years. Not only are you getting cash flow, but also the value (of the partnership overall) is up because of the megatrend in the systems market."

Past performance

The past performance of the industry and the allure cable partnerships have held for investors have resulted, not surprisingly, in record sales of cable partnerships. According to Robert Stanger & Co., during the first nine months of this year cable limited partnership sales totalled $306.6 million, a 65 percent increase over the similar period last year. A decline in partnership sales during the third

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quarter to $71.3 million from $95.2 million in 1986 may be attributed to the pickup in activity late last year in anticipation of impending tax reform. Overall, limited partnership sales reached a record $3.7 billion during the third quarter of 1987.

At this time, nine cable partnerships have been registered with the SEC. Most of the offering companies are familiar names in the partnership market, including Jones Intercable, which is on its 14th fund; Cencom, which has raised $150 million in four years; Enstar, which has just registered its sixth offering; American Cable TV Investors, an Integrated Resources partnership; Prime Cable; and Northland Cable properties.

> 'We felt good about (the market) before the crash,' and now 'post-crash we feel much better. Investors are reallocating their money, and some of that money will come the way of cable limited partnerships.'
>
> —Gary Biemaster
> Kidder, Peabody & Co.

According to Bob Graff, president and chief executive officer of Enstar Communications, the climate for sales of cable limited partnerships is good now and should be "easier" in the future not only as a result of the volatility in the stock market but also as a result of the track record companies like his have built up. "We've made 47 distributions and sold about one-third of the properties in our first fund, which closed in 1984," he says. "We've returned 60 cents on the dollar." Such a cash return is viewed as healthy considering the investor still has an interest in the partnership.

Current distributions are key to luring investors to cable funds these days, note investment bankers and analysts alike. When a limited partnership is structured, the company can offer investors one of three things: a cash distribution, capital appreciation, or a pass-through on tax benefits. "We think investors today are looking for cash distribution," notes one executive with a leading investment banking firm.

Says Brennan, "The more immediate the cash returns, the better. It's difficult to sell when the return is in the future."

Cable television, with its tax-sheltered, steady cash flows appears to be a good vehicle for such distributions. Moreover, the more interest rates fall, the easier it will be for companies to make those distributions. In many cases, cable companies are offering investors returns of 6 to 8 percent the first year, 8 to 10 percent the second year, 10 to 12 percent the third year, and so on until an overall return rate of between 11 and 14 percent is achieved.

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October 1987

Cablevision of Texas
Limited Partnerships

$9,048,000 Enhanced Yield
Senior Secured
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1,487,000 Subordinated
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The Undersigned Structured This Financing and Arranged for the Private Placement of the Notes.

CableInvestments, Inc.
8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

This Announcement Appears As a Matter of Record Only

October 1987

SOLD

White Water
Cable Vision, Inc.

The Cable System Serving Subscribers in the Communities of Leaburg, Vida, Blue River and McKenzie Bridge, Oregon.

Has Been Acquired By:

Falcon Cable
Systems Company

The Undersigned Represented the Seller.

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Pressures on returns

Putting pressure on companies' ability to provide such returns, however, have been steadily escalating prices in the systems market. Gurtz and others warn that the types of returns cable partnerships offered in recent years may well be diminished this year and in the future because of the record prices being asked in the systems market. In addition, if system prices begin to flatten, investors who recently have moved into the limited partnership market could face slower appreciation in value of their partnership interests.

That trend toward rapidly escalating system prices has forced many cable syndicators to term their partnerships "income plus growth" funds. In other words, the return will be comprised both of current yield and a piece of the backend of the partnership when the systems are sold. At one point, says Bob Graff, he could offer investors initial distributions of 11 percent. But considering the acquisitions the company is looking at now, he says, those distributions will be more like 5 percent or 6 percent in the early years.

As a result, the people who are selling Graff's and other cable partnerships are talking more and more about growth. "It's just like real estate. In the late '70s, as prices went up, the benefits came down. I could see that happening in cable," he says, "but I didn't think it would happen so fast." Jim Carlson, vice president at Jones Intercable, notes that his company's partnerships also are sold extensively as "growth" funds, rather than income funds.

> Jones Intercable has been able to make some of its investors five or six times their initial investment. 'They provided a 742 percent return on one fund.'
>
> —Bill Brennan
> Brennan Reports

With uncertainty among investors about maintaining gains similar to those posted historically, Graff says the real lure to cable these days should be its safety. "Cable for cash is safer than owning real estate," Graff contends. That type of statement "rocks most financial planners," he admits, but "I don't know of anyone who's got a wire going into the house who's not made money," he says.

That is not a sentiment shared by all industry analysts. Brennan predicts that investors will be lured to more traditional, conservative investments like real estate in the future. Furman Nettles, vice president at Robert Stanger & Co., says hard asset areas—like oil and gas income programs, where the properties are already producing; unleveraged real estate programs; and some R&D programs—are doing the best in today's uncertain market. "I'm not sure cable is viewed (as a hard asset)," he notes.

One area that is expected to be hit hard by the market's continued volatility is cable master limited partnerships. Already considered an expensive

See **LPs**, page 135

This Announcement Appears As a Matter of Record Only.

October 1987

Decatur Cable TV, Inc.

$5,500,000

Senior Secured Term Facility

The Undersigned Placed This Note and Assisted Management in a Stockholder Buyout of Jacksboro Cable TV, Inc. and the Merger of Jacksboro Cable TV into Decatur Cable TV, Inc.

Cable Investments, Inc.
8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

This Announcement Appears As a Matter of Record Only.

September 1987

SOLD

Universal Telecommunications, Inc.

The Cable System Serving Subscribers Located in Springtown, Texas

Has Been Acquired By:

Decatur Cable TV, Inc.

The Undersigned Represented the Seller.

Cable Investments, Inc.
8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

LP's, *from page 129*

way to raise capital in the cable television industry, the continued devaluation of stocks in the public markets and concern that MLPs may be taxed as corporations rather than limited partnerships will make raising money in this arena particularly difficult in the future.

MLPs on a rollercoaster

Not only do MLPs move up and down with the market, and therefore lose the primary allure of non-trading limited partnerships, but also most of them are trading significantly below their offering prices. "You can't fool everyone all the time," quips one investment banker. At this point the MLP market is dead, he says.

> 'Even though our unit price might be off 10-15 percent, as long as the price of the property could give a return, we'd do it.'
>
> —Ron Voss
> Galaxy Cablevision

Within the past 12 months, three cable MLPs have come on the market: Jones Intercable Investors LP, Galaxy Cablevision LP and Falcon Cable Systems Co. These funds are expected to be grandfathered in any new tax legislation that comes out of Congress.

Despite the generally negative assessments of the MLP market, Ron Voss, vice president for corporate development at Galaxy Cablevision, says he would go back to the MLP market again if the company saw an acquisition whose cost could still provide an adequate return to investors. "Even though our unit price might be off 10-15 percent," he says, "as long as the price of the property could give a return, we'd do it."

Voss notes that the downturn in stock prices does not affect Galaxy's ability to make the distributions it promised investors in its prospectus, and that the MLP still should be viewed as a long-term investment. Over the long-term, the company is offering a 6.5 percent tax deferred return. "If we went back into the marketplace, we would have no problem raising equity."

In general, investment advisers and the companies involved in the limited partnership market remain optimistic about their prospects for raising capital in this market, especially after the events of mid-October. "Clearly, there is a window for raising money now," says Gary Blemaster.

On the investment community side, also, there is continued attraction to cable partnerships not only in relation to other investments but other partnerships as well. "Cable probably will still do the best, even if it can't top the gains of the last five years," says Dennis Gurtz. "It should do better than real estate, which is its main competition."

"We feel cable is predictable and that it still has good growth," says an investment banker. "We feel that kind of industry makes a good investment for the retail investor." ■

This notice appears as a matter of record only.
November, 1987

ACI MISSISSIPPI, INC.

has acquired a cable system from

TELEPHONE & DATA SYSTEMS, INC.

serving the community of
Calhoun City, Mississippi.

The undersigned initiated this transaction,
served as financial advisor to ACI Mississippi, Inc.
and assisted in the negotiations.

WALLER CAPITAL CORPORATION

Andrew J. Armstrong, Jr.
Senior Vice President

45 Rockefeller Plaza
Suite 2520
New York, NY 10111
(212) 307-7201

CABLE STATS

Subscriber Count

Non-satellite-fed national services

ACTS Satellite Network	325	6,000,000
Alternate View Network	242	2,800,000
America's Value Network	212	4,150,000
Arts & Entertainment (A&E)	2,400	27,000,000
Black Entertainment Television (BET)	912	17,000,000
Cable News Network (CNN)	11,423	41,642,000
Cable Value Network	150	19,000,000
CBN Cable Network	7,710	36,708,000
C-SPAN	2,700	32,500,000
C-SPAN II	485	12,500,000
Consumer Discount Network	66	550,000
Country Music Television	520	6,750,000
The Discovery Channel	2,500	25,598,000
ESPN	17,000	43,700,000
Eternal Word Television Network (EWTN)	387	7,100,000
The Fashion Channel	500	6,500,000
Financial News Network (FNN)	1,690	26,700,000
FNN/Score	1,080	19,800,000
FNN/TelShop	700	11,000,000
GalaVision	293	900,000
Gospel Music Network	31	744,447
Headline News	3,452	28,352,000
Hit Video USA	160	2,100,000
Home Shopping Network	1,108	15,200,000
Home Shopping Network 2	280	5,800,000
The Inspirational Network	1,100	10,700,000
International Television Network	56	7,868,900
The Learning Channel	930	11,000,000
Liberty Broadcasting Network	39	1,049,218
Lifetime	3,500	34,000,000
The Motivation Network	24	450,000
Movietime	56	2,000,000
Music Television (MTV)	4,340	37,100,000
The Nashville Network	5,200	35,000,000
National Jewish Television (NJTV)	295	6,800,000
National Shopping Club	65	1,500,000
New Age Jazz TV	200	300,000
Nick At Night	3,862	31,000,000
Nickelodeon	5,430	35,800,000
The Nostalgia Channel	150	1,400,000
QVC Network	731	10,394,159
Shop Television Network	60	2,400,000
Silent Network	300	9,500,000
Tempo Television	650	12,500,000
The Travel Channel	190	5,550,000
Trinity Broadcasting Network	523	7,037,000
USA Network	9,200	39,000,000
Video Hits One (VH-1)	1,697	20,800,000
Video Shopping Mall	600	14,000,000
The Weather Channel	2,750	28,151,540
WGN-TV	10,422	22,481,204
WOR-TV	2,270	9,627,636
WPIX-TV	396	2,470,564
WTBS-TV	12,399	41,642,000

Pay services

American Exxxtasy	60	40,000
American Movie Classics	1,200	7,500,000
Bravo	350	700,000
Cinemax	3,650	4,100,000
The Disney Channel	4,300	3,175,000
Festival	N/A	N/A
Home Box Office (HBO)	6,700	15,000,000
The Movie Channel	3,250	3,250,000
The Playboy Channel	600	550,000
Showtime	3,200	5,400,000

Audio services

Cable Radio Network	39	1,300,000
KKGO Super Jazz	16	146,533
Moody Bible Institute	62	937,611
Satellite Radio Network	251	740,000
Seeburg Lifestyle Music	142	2,576,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	107	350,000
WFMT Chicago	182	1,399,125

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	40	2,353,322
DBC/MarketWatch	240	5,000,000
Electronic Program Guide (EPG)	315	7,109,080
EPG Jr.	145	157,330
Genesis Cable Storytime	37	1,505,000
Reuters News View	127	2,437,000
TV Decisions	177	6,818,487
UPI Data Cable	450	4,000,000
X*Press	60	1,000
X*Press Exchange	200	1,000,006

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Video Entertainment	170	6,500,000
Fuji Network	3	12,000
Nippon Golden Network	3	12,780
Telaction	N/A	N/A
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	160,000
Bay Area Religious Channel (BARC)	6	113,000
Buffalo Sabres Hockey	9	400,000
Cable TV Network of New Jersey	34	1,369,829
The Ecumenical Channel	12	170,000
KTVT	234	1,891,170
Life Newsvision	35	50,000
Madison Square Garden	92	2,092,434
Meadows Racing Network	15	600,000
News 12 Long Island	7	500,000
Prime Cable	8	344,350
Prime Ticket	70	2,000,000
SportsVision (Chicago)	47	1,025,200

Pay services

Dodgervision	44	935,000
Giantsvision	38	1,000,000
Home Sports Entertainment—Houston/Dallas	140	450,000
Home Team Sports	100	748,000
New England Sports Network	157	213,171
PRISM-Philadelphia	86	396,578
Pro-Am Sports	140	301,000
SportsChannel (Florida)	2	45,000
SportsChannel (New England)	142	730,000
SportsChannel (New York)	77	842,000
Z Channel	21	84,000

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1109, New York, NY 10016.

N/A denotes information not available.

TBA denotes to be announced.

Announced services

Satellite-fed services	Expected launch
Americana Network	2nd Quarter 1988
El Canal Musical	4th Quarter 1987
International Cablecasting's Cable Radio Network	1st Quarter 1988
Pay-Per-View Network	12/87
Pay-Per-View Partners	4th Quarter 1987
The Preview Network	4th Quarter 1987
Teleworld Network Television	5/88
Tunnelvision	11/87
Tuxxedo Network	12/87
World Travel Network	4th Quarter 1987
You TV	1/88

C4722-2
12/28/87

DECEMBER 21, 1987

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

MUST-CARRY TOSSED OUT AGAIN

OPERATORS MARSHAL BEHIND PPV

GETTING DOWN TO BASICS WITH PAY

EVERYTHING HAPPENING AT ONCE IN U.K.

STOCKS FINISH BUMPY YEAR 20% AHEAD

SUMMING UP THE WESTERN SHOW: SPEAKING VOLUMES WITHOUT SAYING A LOT

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EDITOR/ACQUISITIONS
SRI
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BETHESDA MD 20814

CableVision

FRONT LINE

Must-carry loses again 12
Relations between cable and broadcast are again in disarray as a result of the carefully structured compromise on must-carry getting tossed out on its ear by the federal appeals court in Washington. Independent broadcasters and public stations are especially worried.

PPV to blossom in '88 16
With many major MSOs now joining the ranks of the converted, pay-per-view should blossom in 1988. ATC and Comcast now are on board, among many others.

Storer talks restart 19
The operator consortium led by TCI is again talking with KKR about Storer, with the operator group offering half a million subs as a sweetener.

Turner deal looks doubtful 20
Due to the financial and operational complexities, some insiders are beginning to doubt that bringing NBC into Turner Broadcasting can be accomplished.

PROGRAMMING

Getting down to basics with pay 24
Galavision has done it. So have AMC and Bravo. And in the process of migrating from the pay tier to the basic or bonus-to-basic package, those programming services have made huge gains in distribution. Some say the major pays might be well advised to do the same, and Showtime at least is raising the possibility. But there are some thorny problems.

LAW AND REGULATION

Effective competition 30
It didn't require genius to interpret the FCC's effective competition standard, merely an ability to count to three. But the commission's three-signal test is under challenge, with opponents hoping to teach cable to count to 10.

FORUM

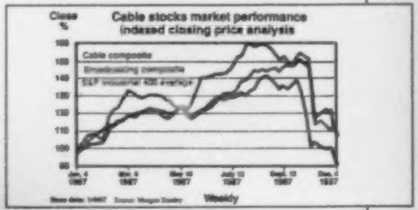
The Ps and Qs of PPV 32
Signs that the pay-per-view business should have a bright future are all around us during this holiday season. Americans' growing consumerism point to a clientele that can appreciate good product delivered on convenient terms, writes Request President Jeffrey Reiss.

INTERNATIONAL

Changes and challenges in U.K. 36
Once there was "The Beeb" and that was it. But now television in the United Kingdom is wide open, with cable, DBS and U.S.-style TV all developing at once. The U.K.'s stiff upper lip is quivering somewhat at all this change, presenting opportunities for American entrepreneurs.

BUSINESS AND FINANCE

Good year for stocks 54
Black Monday hurt, but despite the crash cable stocks on average are about 20 percent ahead of where they were early in 1987. TCI is up 24.5 percent, ATC is ahead 17 percent, but Jones has fallen 30 percent.



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COVER STORY

The Western Show 40
For a quiet convention, a lot happened at this year's Western Show. But most of the action was bubbling just below the surface, including the beginnings of a battle for cable programming exclusivity.
—Photo by Candace Drake

BETWEEN THE LINES

Cable's network bashing: an unseemly, unwise sport

When he was a boy, Mark Twain wrote, he was appalled at his father's stupidity. But by the time he turned 21, Twain was amazed at how much the old man had learned in so short a time.

The cable industry now is acting like that little boy, regularly going about attacking the Big Three networks, who begat cable, as dimwitted dinosaurs. Ted Turner lives for the day, he said at the Western Show, when one of them goes dark. Even such a learned gentleman as Ralph Baruch, in a speech last week at the Washington Cable Club, gloats over declining ratings at the networks, and accuses them of now being incapable of programming innovation. "Television is too important to be left to the broadcasters," he said.

The day may come when cable, like Twain, reaches adulthood—when it will be held to the same public scrutiny as the networks have for the past 20 years, when its prime time lineups are as dissected in print as the networks', when every ownership change prompts a congressional hearing—and then cable will sigh wistfully, and admit that Old Man Network wasn't so dumb after all.

But this pattern of behavior is classic cable. Before the Cable Act, industry leaders used to frequently describe the many wonderful things that would happen but for all that stifling municipal regulation. Now that it has committed the Act, many companies are having difficulty living up to public expectations. Cable used to cry out for free speech rights until it came within an eyelash of actually being knighted as a First Amendment speaker.

All of this is not to say that cable should not compete with the networks, or that is should give up on its long march toward respectability. Far from it. But there is much to be gained from having the Big Three out front, doing the downfield blocking and drawing the fire of elected officials. The cable industry remains in need of the breathing space afforded by the networks' shield.

In a legal sense broadcasting has been held to a higher standard—its public interest obligations—because of its means of distribution. Applying common sense, though, those obligations were imposed on broadcasters because theirs was the medium that bound the nation together. So it certainly is not outside the realm of possibility to consider that if cable pushes broadcasting under its thumb while achieving near-universal penetration, that the public interest mantle then will fall upon its shoulders.

The cable industry historically has worked harder and was more innovative because it was No. 2. It kept up a head of steam simply because it had something to push against. If cable leaders succeed in implanting the notion that the networks are nothing more than low-rated channels on a crowded dial—indeed, if it causes one of them to go dark—then the industry could be in real danger of losing its verve, of falling prey to the quick-fix, lowest-common-denominator mentality it so long has struggled against.

Cable has accomplished much and has created much in which it can take pride. But it is certainly unseemly, even unwise, for the industry to call attention to its distinctions through network bashing. Following that course establishes a seesaw effect: Cable can only soar as high as broadcasting sinks. The industry does not need to be tethered in that fashion.

—Steve Tuttle
Editor and Associate Publisher

CableVision

William McGorry
Publisher
Steve Tuttle
Editor and Associate Publisher

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Patrick Keleher
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December 21, 1987
Volume 12, Number 33

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. Dec. 21, 1987, Volume 12, Number 33. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, P.O. Box 5208-TA, Denver, Colorado 80217.

ABP BPA

Pay-Per-View Supply Chart

December

Source

Amazing Grace and Chuck (12/1) Tri-Star
MPAA Rating: PG Running Time: 115 mins.
Cast: Jamie Lee Curtis, Gregory Peck, William L.Peterson.

Beyond Therapy (12/3) HBO Enterprises
MPAA Rating: R Running Time: 93 mins.
Cast: Jeff Goldblum, Tom Conti, Glenda Jackson.

Danger Zone (12/1) Skouras
MPAA Rating: NR Running Time: 89 mins.
Cast: Jason Williams, Robert Canada.

The Gate (12/15) New Century/Vista
MPAA Rating: PG-13 Running Time: 87 mins.,40 secs.
Cast: Stephen Dorff, Louis Tripp, Christa Denton.

Harry and the Hendersons (12/24) Universal
MPAA Rating: PG Running Time: 111 mins.
Cast: John Lithgow, Melinda Dillon, Don Ameche.

House II (12/31) HBO Enterprises
MPAA Rating: PG-13 Running Time: 85 mins.
Cast: Jonathan Stark, Ayre Gross, John Rattcenberger.

Million Dollar Mystery (12/12) HBO Enterprises
MPAA Rating: PG Running Time: 95 mins.
Cast: Tom Bosley, Rich Hall.

Necropolis (12/23) Vestron
MPAA Rating: R Running Time: 77 mins.
Cast: LeeAnne Baker,Jacquie Fitz, Micheal Conti.

Nightmare on Elm Street 3,Dream Warriors (12/24) Universal
MPAA Rating: R Running Time: 97 mins.
Cast: Nancy Thompson, Kristen Parker, Max.

Outrageous Fortune (12/3) Touchstone Pictures
MPAA Rating: R Running Time: 99 mins.
Cast: Shelley Long, Bette Midler, Peter Coyote, George Carlin.

Personal Services (12/23) Vestron
MPAA Rating: R Running Time: 104 mins.
Cast: Julie Walters, Alex McCowan.

River's Edge (12/1) HBO Enterprises
MPAA Rating: R Running Time: 99 mins.
Cast: Dennis Hopper, Cristin Glover, Roxana Zal.

Roxanne (12/3) Columbia
MPAA Rating: PG Running Time: 107 mins.
Cast: Steve Martin, Daryl Hannah.

Summer School (12/23) Paramount
MPAA Rating: PG-13 Running Time: 98 mins.
Cast: Mark Harmon Kirstie Alley.

MPAA Rating: PG Running Time: 92 mins.
Cast: Madonna, Griffin Dunne, Haviland Morris.

Wimps (12/11) Vestron
MPAA Rating: R Running Time: 94 mins.
Cast: Louie Bonanno, Deborah Blaisdell, Jim Abele.

January

Source

The Believers (1/6) Orion
MPAA Rating: R Running Time: 114 mins.
Cast: Martin Sheen, Helen Shaver, Robert Loggia.

Blood Diner (1/16) Vestron
MPAA Rating: NR Running Time: 95 mins.
Cast: Carl Crew, Richard Berks, Rodger Dauer.

Campus Man (1/9) Paramount
MPAA Rating: PG Running Time: 94 mins.
Cast: John Dye, Steve Lyon, Kim Delaney, Morgan Fairchild.

Dragnet '87 (1/14) Universal
MPAA Rating: PG-13 Running Time: 106 mins.
Cast: Dan Aykroyd, Tom Hanks, Christopher Plummer.

La Bamba (1/21) Columbia
MPAA Rating: PG-13 Running Time: 111 mins.
Cast: Esai Morales, Rosana DeSoto, Elizabeth Pena.

Secret of My Success (1/1) Universal
MPAA Rating : PG-13 Running Time: 110 mins.
Cast: Micheal J. Fox, Helen Slater, Richard Jordan.

Shadey (1/1) Skouras
MPAA Rating: PG-13 Running Time: 90 mins.
Cast: Katherine Helmond, Patrick MacNee, Tony Sher.

The Squeeze (1/9) Tri-Star
MPAA Rating: PG-13 Running Time: 101 mins.
Cast: Michael Keaton, Rae Dawn Chong, Rick Abernathy

Summer Heat (1/9) Paramount
MPAA Rating: R Running Time: 83 mins.
Cast: Lori Singer, Anthony Edwards.

Superman IV: The Quest For Peace (1/13) Warner Bros.
MPAA Rating : PG Running Time: 91 mins.
Cast: Christopher Reeve, Margot Kidder, Gene Hackman, Jackie Cooper.

Walk Like A Man (1/1) MGM/UA
MPAA Rating : PG Running Time: 86.14 mins.
Cast: Howie Mandel, Christopher Lloyd, Cloris Leachman.

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Satcom 4, tr. 16	VideoCipher II	Movies, how-to's, special events. 24 hours per day, approx. 50 titles per month	Currently serving 16 MSOs nation-wide (40,000 Impulse addressable subscribers)
Private Ticket	July 1985	Standalone	None	Two and one-half hours nightly. One original title, plus up to two licensed films edited for Playboy.	Available in systems serving 185,000 subs (139,000 addressable).
Request Television	November 27, 1985	Galaxy 1, tr. 12	VideoCipher II	Min. of four major motion pictures per week over 14 day cycle, special events	Available in systems serving 3.6 million subs. (2.5 million addressable).
Telstar Channels	June 5, 1986	Spacenet 2, tr.1,3,11.23	VideoCipher II	Channel 1: 2 movies per week,the newest and top-selling. Channel 2: Cult favorites, childrens and top of the charts video store sellers. Channel 3: Additional plays of movies 1 & 2 (frequency channel).	Available in systems serving 120,000 subs (60,000 addressable).
Viewer's Choice	November 26, 1985	VC-1 Galaxy III, tr. 21, VC-2 Galaxy III, tr. 18	VideoCipher II	Channels I & II: First-run movies, special events	Available in systems serving over 3 million subs.

Buying subs

Typical prices aren't as frothy as some high-profile transactions

By Virginia Munger Kahn

Transaction analysis of notable 1987 deals

Month	Seller	Buyer	Price	Basic subs	Value per sub	X CF**
January	McCaw Communications	Jack Kent Cooke	$755 MM	433,000	$1,744	11.3/n.a.
May	James Communications*	First Carolina	$167 MM	100,000	$1,670	11.2/18.8
May	Mountain Cable	Adelphia	$117 MM	59,000	$1,983	12.3/19
June	First Carolina*	Jack Kent Cooke	$295 MM	167,000	$1,766	12.0/21
June	Scott Cable*	Simmons Communications	$184 MM	107,000	$1,714	11.5/20
July	Adams-Russell*	Cablevision Systems	$454 MM	231,000	$1,985	12.3/n.a.
July	Multi-Channel*	Adelphia	$222 MM	110,000	$2,018	12.7/n.a.
August	C4 Media Cable	U.S. Cable Television Group	$126 MM	72,000	$1,750	11.8/22.9
November	Essex Companies*	U.S. Cable Television Group	$225 MM	135,000	$1,667	12.7/18.0
		Totals	**$2,545 MM**	**1,414,000**	**$1,800**	

*Stock Purchase

**Acquisition price as a multiple of projected 1988 and historical cash flow.

Source: Waller Capital

ANAHEIM—Despite admissions that prices in the private system market are off about 5 or 10 percent, industry executives and their financial backers remain bullish about the underlying financial strength of the business and their ability to maintain an active and healthy system marketplace. In panel sessions on the public and private markets, speakers emphasized the positive and pointed to several recent transactions as key indicators of the direction of prices and values.

John Malone, Tele-Communications Inc. president and CEO, said at the opening session that one of TCI's affiliated companies had bid $2,750 per subscriber for a system, and lost. The bidder was Lenfest Communications and the properties in question were Harte-Hanks' Philadelphia area systems.

Meanwhile, Jones Intercable reportedly has agreed to pay $2,800 per subscriber for the Broward County, Fla., system owned by Buford Cable TV. While Glenn Jones, chairman of Jones International, declined to discuss the system specifically, he told one panel that the company can achieve a 15 percent rate of return over five years paying that type of price "provided it has growth in it."

Gordon Crawford, senior vice president at Capital Guardian Research, even suggested that there are some systems worth $3,600 a subscriber, pointing to the Cablevision Systems properties on Long Island, which have higher revenues per subscriber than any system in the country. In general, however, Crawford indicated that if the average cable system generates $250 a year per subscriber in revenue, based on current cash flow margins and a 12 times multiple, that system should now be worth only $1,600 a sub.

In fact, while deals with high price tags continue to attract the most attention, many industry executives and brokers contend industry averages are not quite as frothy as indicated by those high-profile transactions. John Waller, president of Waller Capital, told one panel that the industry average probably is closer to $1,800 a subscriber.

Pointing to several deals that had elicited a good deal of interest (see chart), Waller noted that on average they sold for 11 to 12.5 times 1988 cash flow and $1,800 per subscriber, despite the fact that many of them were stock transactions. Stock transactions normally should bring the price down. Significantly, the multiple on existing cash flow ranged between 18 and 22 times, "which shows you what people think they can do with these systems," noted Waller.

In fact, many industry executives and financiers attributed the "remarkably resilient" market, in the words of Morgan Stanley's Steven Rattner, to the underlying strength of the industry's fundamentals. They pointed to the turnaround in pay television, surprisingly strong basic unit growth, and improving cash flow margins as reasons behind the continued willingness of buyers to pay up for cable systems.

"The fundamentals have never been better," Julian Brodsky, vice chairman of Comcast Corp., told a panel on financing options. This year Comcast will add 92,000 basic units and 98,000 pay units on a net basis. TCI's Malone reported that his company had added 160,000 basic subscribers in October, "our best internal growth month ever." On average the industry as a whole adds 225,000 subscribers per month, according to Arbitron figures.

"The fundamentals are as bulletproof as any business in this economy," said Crawford, referring to potential negatives that could adversely affect the system market.

While the fundamentals are solid and the private market has remained strong, brokers admit that in the wake of the stock market crash there has been a slight falloff in prices, of about 5 to 10 percent, across the board and that buyers are becoming more selective. That selectivity is the result of increased caution not only on the part of buyers but also on the part of commercial lenders who may be "sharpening their pencils" a bit in the current environment, said one broker.

Even more important has been the increased expensiveness or outright elimination of certain sectors of the subordinated debt market. "What has happened is that the ability to defer interest payments in the form of zero coupon bonds and other junk bonds has been hurt," Peter Sokoloff, senior vice

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to come from."

MPAA's support of the Gore bill comes during a tumultuous period of rhetorical warfare between cable and Hollywood, and cable industry leaders quietly have sought to move the controversy out of Washington (*CV* 11/9/87 p.81). Some insiders view Mooney's speech next month as a first step in that direction.

Mooney would not comment on NCTA's strategy concerning MPAA, but he did note that the controversy could be resolved by "reasonable people coming together, cutting out the rhetoric and getting down to essential interests."

Mooney also criticized MPAA's support of Gore's legislation. "I don't think it contributes to the resolution of the controversy," he said, "for the copyright owners, as represented by MPAA, to be against the cable compulsory license but for the Gore bill, which in itself would create a kind of compulsory license for cable programming in favor of DBS interests."

However, MPAA, broadcasters and even some cable officials have accused the cable industry of its own inconsistencies: supporting the compulsory license and opposing syndicated exclusivity on one hand, while seeking exclusive use of programming on the other.

And among some industry leaders, exclusivity may loom as a higher priority than maintaining the compulsory license in its present form. "We would see, long-term, exclusivity as more important than the compulsory license," one industry lobbyist claimed. Supporting the license "is a tough argument," the lobbyist said.

"I don't think it's healthy for these industries to perpetually be at loggerheads with each other in political forums," Mooney observed. "To the degree that the compulsory license system we have today contributes to the antagonism and detracts from the development of symbiotic relationships, that's a problem for all of us."

But Mooney maintained that both the compulsory license and cable exclusivity can be justified. Cable's compulsory license, he said, has resulted in substantial subscriber viewing of distant signals. If, for example, subscribers should suddenly lose access to Major League Baseball games, "they will get damned annoyed," Mooney predicted.

"There is an important political reason for the continuation of this practice of importing distant signals," he explained. "This may not be something altogether within control of the industry parties."

Exclusivity, Mooney said, has a "long history and is generally understood to be a legitimate competitive strategy." And just as local broadcast affiliates have an exclusive right to distribute network programming in their markets, Mooney maintained that cable operators should have similar rights with cable networks.

Still, Mooney likely will find it necessary to convince Congress that cable should have a right to exclusivity. "We have to bring people in the policymaking community to understand that exclusivity is a legitimate competitive strategy," Mooney said.

However, the efforts of the large MSOs to obtain exclusivity could be hampered by small, independent operators who view the compulsory license as more crucial to their business than pursuing exclusivity, according to Steve Effros, president of the Community Antenna Television Association.

"Exclusivity is a mistaken premise," Effros claimed. "Using the exclusivity theory as your game plan for dealing with competition just ain't going to work," he argued. "Overbuilders are part of the cable industry, too."

Effros said he expects significant movement during the next year aimed at swapping changes in the compulsory license for exclusivity—a move which likely would be opposed by CATA and its members.

Further complicating the issue is a proposed amendment to the Gore bill by Sen. Larry Pressler, R-S.D., which would effectively curb bulk discounting. CATA vigorously opposed bulk discounting in the past, and the Pressler amendment, if offered, could neutralize small operator opposition to the Gore

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president at Cable Investments Inc., noted in a later interview. "It is now much harder and more expensive" to raise that type of debt and "that has tended to depress prices,"he said.

Senior lenders still are willing to lend at seven or 7.5 times, noted Phil Hogue, president of the investment banking division at Daniels & Associates, but if prices are still in the 12 times range, "where are you going to get the mezzanine financing?" Deals that were marginal to begin with, such as very large transactions or very small ones, may not get done, he said.

Panelists also expressed reservations about other potential negatives including the pending tax bill in Congress, which would disallow the amortization of franchise costs. That provision alone could cost buyers between $100 and $200 per subscriber of deductability, said Bob Lewis, vice president for corporate development at TCI. Crawford said he primarily was concerned about the provisions for non-deductability of interest.

The introduction of uncertainty into the market has resulted in a slowdown in the escalation of prices, note industry brokers. Waller told Western Show attendees now might be a good time to buy "since you're not seeing the escalation in prices" of recent months. Lower interest rates as a result of the crash also should serve to spur buyers into the market, said Lewis. Whereas system prices might have been $1,800 a subscriber before the crash, they might average somewhere above $1,750 now, one broker speculated.

Panelists' projections for private market activity next year ran the gamut from even to more activity. Factors that could serve to accelerate deal activity next year include a change in the Administration, the change in the tax laws that will lower the effective rate, and the desire by potential sellers to maintain liquidity in an uncertain economic market.

"I would want to get deals done before November 1988," said Crawford, because of the potential change in the Justice Department. "It is very likely that limits on horizontal" consolidation will be imposed and "a less *laissez-faire* department may even try to hinder vertical integration," he said.

"1988 volume will be closer to 1987 rather than 1986," said Hogue, noting that 1986 activity was spiked by the major changes in the tax laws. While there still is uncertainty in the market, "the longer we go without a recession, the more comfortable people will get," he said.

NOTES

Jerrold's Cable Video Store launched an experimental service allowing subscribers to purchase videocassettes via their cable remote control. Called Video Collector's Corner, the new service premieres this month as a series of three 18-minute shows airing daily on the Cable Video Store. Each show previews selected videos and utilizes the purchasing ability of impulse equipment. If a subscriber chooses to purchase one of the previewed videos, the order is entered by remote control, processed by CVS and shipped directly to the customer.

Industry Growth

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	72,460,000	42,725,000	48	26,022,000	29
1986	87,800,000	69,632,000	41,772,000	47	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Cable barometer

Television households (TVHH)	87,800,000
Homes passed by cable (HP)	69,632,000
Percent of TVHH passed by cable	79.3%
Basic cable subs	41,772,000
Percent of TVHH with basic cable	47.5%
Percent of HP with basic cable	59.9%
Pay cable subs	24,101,000
Percent of TVHH with pay cable	27.4%
Percent of HP with pay cable	34.6%
Percent of basic subs with pay cable	57.6%

Satellite Lineup

Satcom III-R (RCA Americom)	**Transponder**
Arts & Entertainment	.24
BET	.20
Cable Radio Network	.4
Cable Value Network	.12
Cinemax (West)	.23
ESPN (Blackout)	.7
Financial News Network	.4
rytime	.3
HBO (West)	.13
Home Shopping Network	.22
The Learning Channel	.2
Lifetime	.17
National Jewish Television	.18
QVC Network	.8
Reuter Monitor Service	.18
Showtime (West)	.10
Tempo Sound	.6
Tempo Television	.6
Tempo Text	.6
The Travel Channel	.16
Trinity Broadcasting Network	.3
TV Decisions	.24
USA Network (West)	.9

Satcom IV (RCA Americom)	**Transponder**
Alternate View Network	.10
American Movie Classics	.10
America's Value Network	.5
Biznet	.6
Bravo	.2
The Fashion Channel	.14
Gospel Music Network	.3
Hit Video USA	.18
Home Shopping Network 2	.1
Home Sports Entertainment	.11
Home Team Sports	.22
Liberty Broadcasting Network	.7
Madison Square Garden Network	.6
The Motivation Network	.3
Movietime	.17
National Black Network	.19
New England Sports Network	.13
Nickelodeon (West)	.4
Nostalgia Channel	.21
The Playboy Channel	.24
Prime Ticket	.20
The Silent Network	.23V
SportsChannel-New England	.23
SportsVision	.9
WPIX—New York	.19

Westar III (Western Union)	**Transponder**
CNN	.5

Westar IV (Western Union)	**Transponder**
Atlantic City Horse Racing	.6
Cable News Network (CNN)	.16
Catholic Telecommunications Network of America	.11
Consumer Discount Network	.24
National Christian Network	.2
International Television Network	.10D
Public Broadcasting Service	.15, 17, 21, 23
Texas State Network	.2

Westar V (Western Union)	**Transponder**
Fantasy Unrestricted Network (FUN)	.24
FUN Weekend Pay-per-view	.24
Moody Broadcasting Network	.7D
Pro-Am Sports System (PASS)	.8
The University Network	.2
Zephyr Weather Information Service	.7D

Telstar 303 (AT&T)	**Transponder**
American Exxxtasy	.19
Country Music Television (CMTV)	.13
KTVT (Ft.Worth)	.20

Galaxy I (Hughes)	**Transponder**
CBN Cable Network	.11
Cinemax (East)	.19
CNN	.7
The Discovery Channel	.22
The Disney Channel (East)	.4
(West)	.24
Electra	.18
EPG	.3
ESPN	.9
GalaVision	.20
HBO (East)	.23
Headline News	.8
The Inspirational Network	.17
The Movie Channel (East)	.10
(West)	.14
The Nashville Network	.2
Request Television	.12
Seeburg Adult Contemporary	.3
Seeburg Contemporary Instrumental	.3
Showtime (East)	.5
SIN	.6
Tempo Text	.18
USA Network (East, Central)	.21
Video Mall Network	.22
WGN	.3
WOR-TV	.15
WTBS	.18

Galaxy III	**Transponder**
C-SPAN	.24V
C-SPAN II	.14V
Eternal Word Television Network	.10
National Shopping Club	.23
The Meadowlands Racing Network	.17
MTV Music Television	.17
Nick At Night	.19
Nickelodeon	.19
Sky Merchant	.11
Video Hits One (VH1)	.15
Viewer's Choice 1 + 2	.21,18

Spacenet I (GTE)	**Transponder**
ACTS	.15
SelecTV	.13

Note: A company name in parentheses following a service or network designates the transponder owner.
Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	4,200,000	(4/87)
2.	American Television and Communications Corp.	3,500,000	(11/87)
3.	Continental Cablevision	1,517,000	(10/87)
4.	Storer Cable Communications	1,418,000	(9/87)
5.	Cox Cable Communications	1,406,922	(9/87)
6.	Warner Cable Communications Inc.	1,367,000	(9/87)
7.	Comcast	1,200,000	(10/87)
8.	United Cable	1,134,336	(8/87)
9.	Heritage Communications Inc.	1,030,640	(10/87)
10.	Newhouse Broadcasting	1,028,543	(8/87)
11.	Viacom Cablevision	1,020,256	(9/87)
12.	Jones Intercable	928,305	(8/87)
13.	Times Mirror Cable Television Inc.	895,892	(9/87)
14.	Sammons Communications Inc.	821,033	(9/87)
15.	UA Cablesystems Corp.	780,593	(10/87)
16.	Cablevision Systems Corp.	740,836	(10/87)
17.	Paragon Communications	650,000	(10/87)
18.	Century Communications Corp.	600,000	(12/86)
19.	Cablevision Industries	585,198	(8/87)
20.	Daniels & Associates	573,658	(10/87)
21.	Rogers Cablesystems Inc.	534,303	(9/87)
22.	American Cablesystems Corp.	515,448	(10/87)
23.	Centel Cable	510,049	(10/87)
24.	Telecable Corp.	498,165	(8/87)
25.	Adelphia Communications	451,736	(10/87)
26.	Cooke Cablevision	440,589	(9/87)
27.	Scripps-Howard	400,000	(10/87)
28.	Falcon Cable Comm.	379,000	(2/87)
29.	Wometco Cable TV Inc.	377,436	(7/87)
30.	Post-Newsweek	374,275	(9/87)
31.	Prime Cable Corp.	339,990	(9/87)
32.	TCA Group	335,023	(10/87)
33.	Multimedia Cablevision	302,280	(11/87)
34.	Tele-Media	297,567	(10/87)
35.	Maclean Hunter Cable TV Ltd.	287,142	(9/87)
36.	Colony Communications Inc.	274,986	(10/87)
37.	Rifkin & Associates	260,000	(10/87)
38.	Lenfest Group	247,640	(9/87)
39.	Western Communications	243,006	(9/87)
40.	TKR Cable Co.	233,191	(9/87)
41.	Adams-Russell Communications	226,000	(9/87)
42.	Communications Service Inc.	210,000	(12/86)
43.	Service Electric Cable TV Inc.	200,000	(9/87)
44.	TCI-Taft	197,853	(8/87)
45.	Hauser Communications Inc.	182,964	(10/87)
46.	Cencom Cable	175,175	(8/87)
47.	Sutton Capital Corp.	152,676	(8/87)
48.	Media General Inc.	151,211	(7/87)
49.	Harron Communications	150,770	(7/87)
50.	Greater Media	149,091	(9/87)
51.	First Carolina Communications Inc.	146,395	(10/87)
52.	Palmer Communications	143,101	(10/87)
53.	Armstrong Utilities	140,808	(9/87)
54.	Cable Systems USA	133,000	(9/87)
55.	Marcus Communications	131,108	(8/87)
56.	Televents Inc.	128,918	(10/87)
57.	Essex Communications Corp.	126,745	(7/87)
58.	Summit Communications	122,969	(10/87)
59.	U.S. Cable Corp.	119,548	(8/87)
60.	Simmons Communications	114,816	(10/87)
61.	Columbia International	114,232	(9/87)
62.	Northland Communications	114,025	(12/87)
63.	Bresnan Communications Co.	113,783	(11/87)
64.	King Videocable	112,829	(10/87)
65.	Sonic Communications	111,585	(8/87)
66.	Harte-Hanks Communications	110,549	(10/87)
67.	Multi-Channel TV Cable Inc.	110,134	(9/87)
68.	Booth Communications	106,779	(10/87)
69.	Scott Cable Communications	106,277	(7/87)
70.	M.L. Media Partners	99,101	(10/87)
71.	Susquehanna Broadcasting	93,024	(10/87)
72.	James Communications	92,184	(8/87)
73.	McDonald Group	90,079	(8/84)
74.	Omega Communications	88,122	(8/87)
75.	WEHCO Video	88,114	(10/87)
76.	Coaxial Communications	84,859	(9/87)
77.	United Video Management	84,034	(9/87)
78.	Midcontinent Cable Systems Co.	83,331	(11/87)
79.	Pencor Services	83,281	(8/87)
80.	Star Cablevision Group	79,892	(7/87)
81.	C-4 Media Corp.	69,482	(10/87)
82.	Masada Corp.	69,120	(10/87)
83.	Enstar Communications	68,448	(10/87)
84.	Selkirk Communications	68,000	(10/87)
85.	Chambers Communications Corp.	60,798	(11/87)
86.	Mountain Cable Co.	59,336	(9/87)
87.	North American Comm. Corp.	56,739	(11/87)
88.	Insight Communications	55,018	(10/87)
89.	Cardinal Communications	53,870	(8/87)
90.	Hearst Communications of California	51,481	(9/87)
91.	State Cable TV	50,886	(10/87)
92.	Galaxy Cablevision	49,006	(9/87)
93.	Helicon Corp.	49,000	(8/87)
94.	Commonwealth Cable Systems	47,500	(9/87)
95.	Dowden Communications	47,386	(10/87)
96.	Joseph Gans Cable TV	46,532	(11/86)
97.	New England Cablevision	46,296	(10/87)
98.	Prestige Cable TV, Inc.	40,344	(7/87)
99.	Tidel Communications	40,230	(10/87)
100.	Acton Corp.	38,500	(10/87)

Subscriber counts are provided by MSOs and systems to CableVision Magazine Inc. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to CableVision, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1109, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	289,010	(11/87)
2.	San Diego, CA	Cox Cable	287,846	(9/87)
3.	Manhattan, NY	ATC	233,200	(6/87)
4.	San Antonio, TX	Rogers Cablesystems	219,466	(9/87)
5.	East Orange, NJ	Maclean Hunter	193,397	(9/87)
6.	Puget Sound, WA	Viacom	184,000	(8/87)
7.	Honolulu, HI	ATC	182,500	(6/87)
8.	Houston, TX	Warner Cable	182,000	(9/87)
9.	Phoenix, AZ	Times Mirror	173,810	(9/87)
10.	Hartford/Plainville/Vernon, CT	United Cable	166,828	(10/87)
11.	Wayne, NJ	UA Cablesystems	158,104	(10/87)
12.	Englewood, CO	United	155,355	(10/87)
13.	Louisville/Jeff. Co., KY	Storer Communications	155,000	(9/87)
14.	Cincinnati, OH	Warner	154,000	(9/87)
15.	Hampton Roads, VA	Cox Cable	150,103	(9/87)
16.	Tulsa, OK	United	149,797	(10/87)
17.	Fairfax, VA	Media General	147,149	(11/87)
18.	Rochester, NY	ATC	145,300	(6/87)
19.	Cherry Hills, NJ	NYT	145,075	(7/87)
20.	Orlando, FL	ATC	143,500	(6/87)
21.	Atlanta, GA	Prime Cable Corp.	142,529	(9/87)
22.	Jacksonville, FL	Continental Cablevision	142,353	(10/87)
23.	Kansas City, MO	ATC	130,000	(6/87)
24.	Baltimore County, MD	Comcast	130,000	(10/87)
25.	Buffalo, NY	Adelphia Communications	128,105	(4/87)
26.	San Jose/Campbell, CA	Gill Cable	128,000	(11/87)
27.	Erie County, NY	Adelphia	127,160	(3/87)
28.	Manhattan, NY	Paragon Cable	126,000	(9/87)
29.	Seattle, WA	Tele-Communications Inc.	125,000	(12/86)
30.	Memphis/W. Memphis, TN	ATC	120,400	(6/87)
31.	Charlotte, NC	ATC	118,791	(3/87)
32.	Long Island, NY	Viacom	116,000	(8/87)
33.	San Francisco, CA	Viacom	112,000	(8/87)
34.	Austin, TX	ATC	110,900	(6/87)
35.	Pompano, FL	American Cablesystems	110,251	(10/87)
36.	St. Louis Co., MO	Cencom Cable	109,732	(8/87)
37.	San Diego, CA	ATC	107,400	(6/87)
38.	Warren, NJ	TKR	105,923	(9/87)
39.	Toledo, OH	Blade Communications	105,470	(10/87)
40.	San Juan, PR	ML Media Partners	104,823	(11/86)
41.	Dallas, TX	Heritage	100,713	(8/87)
42.	Southeast Michigan	Comcast	100,031	(10/87)
43.	Jefferson Parish/Kenner, LA	Cox Cable	98,773	(9/87)
44.	Wilmington, DE	Heritage	97,954	(10/87)
45.	Grand Rapids, MI	UA Cablesystems	96,817	(10/87)
46.	Pinellas County, FL	Vision Cable	93,920	(9/87)
47.	Escondido, CA	Times Mirror	92,997	(9/87)
48.	Indianapolis, IN	Comcast	92,000	(10/87)
49.	Dade/Broward, FL	Storer	92,000	(9/87)
50.	Richmond, VA	Continental	89,839	(10/87)
51.	Raleigh/Durham, N.C.	ATC	88,198	(3/87)
52.	Boston, MA	Cablevision Co.	87,437	(11/87)
53.	Wichita, KS	Multimedia Cablevision	86,448	(11/87)
54.	Tacoma, WA	Viacom	86,000	(8/87)
55.	Pittsburgh, PA	TCI	85,000	(12/86)
56.	Naples, FL	Palmer Communications	84,307	(10/87)
57.	Worcester, MA	Greater Media	83,832	(11/87)
58.	Greensboro, NC	ATC	82,000	(11/87)
59.	Harrisburg, PA	Sammons Communications	80,647	(9/87)
60.	Orange County, CA	Times Mirror	80,463	(9/87)
61.	Milwaukee, WI	Warner	80,000	(9/87)
62.	Dover/Morristown, NJ	Sammons	79,361	(9/87)
63.	Nashville, TN	Viacom	79,000	(8/87)
64.	Las Vegas, NV	Prime	78,918	(9/87)
65.	Baton Rouge, LA	Daniels & Assocs.	78,669	(10/87)
66.	New Orleans, LA	Cox Cable	75,581	(9/87)
67.	Oakland County, MI	United	75,226	(10/87)
68.	Akron, OH	Warner	75,000	(9/87)
69.	Allentown, PA	Service Electric	75,000	(9/87)
70.	Flint, MI	Comcast	75,000	(10/87)
71.	South Bend, IN	Heritage	74,492	(8/87)
72.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
73.	Santa Monica, CA	Century Communications	74,000	(5/86)
74.	Cook County, IL	Continental	72,645	(10/87)
75.	South Texas, TX	Heritage	72,638	(10/87)
76.	Contra Costa Co., CA	Televents	72,252	(10/87)
77.	Ocean County, NJ	Adelphia	72,110	(10/87)
78.	Providence/Warwick, RI	Times Mirror	72,063	(9/87)
79.	Cleveland Heights, OH	Viacom	72,000	(8/87)
80.	Columbus, OH	Warner	72,000	(9/87)
81.	Omaha, NE	Cox Cable	71,340	(9/87)
82.	Medford Complex (Boston Suburbs), MA	Warner	71,000	(9/87)
83.	Lower Fairfield Co., CT	Cablevision Co.	70,243	(11/87)
84.	Fayetteville, NC	ATC	70,136	(3/87)
85.	Des Moines, IA	Heritage	69,661	(10/87)
86.	Hillsborough, FL	Paragon	69,000	(9/87)
87.	St. Petersburg, FL	Paragon	69,000	(9/87)
88.	Greater Bridgeport, CT	Cablevision Co.	68,422	(11/87)
89.	Little Rock, AR	Storer	68,000	(9/87)
90.	Indianapolis, IN	ATC	67,600	(6/87)
91.	Oklahoma City, OK	Cox Cable	67,489	(9/87)
92.	Lincoln, RI	Heritage	66,894	(10/87)
93.	Birmingham, AL	ATC	66,254	(3/87)
94.	El Paso, TX	Paragon	66,000	(9/87)
95.	Syracuse (suburbs), NY	NewChannels Corp.	66,000	(7/87)
96.	New Haven, CT	Storer	66,000	(9/87)
97.	Winston-Salem, N.C.	Summit Communications	65,848	(10/87)
98.	Monterey, CA	Western Communications	63,815	(4/87)
99.	W.San Fernando Valley, CA	Cablevision Industries	63,121	(8/87)
100.	Madison, WI	TCI	63,000	(12/86)

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1/11/87

JANUARY 4, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

*******MIXED CTY 20814
43603 880430 CVMP 1 922
EDITOR/ACQUISITIONS
SRI
4520 EAST WEST HIGHWAY
BETHESDA MD 20814
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WHY IS HARVEY SANDLER SMILING?

IT AIN'T FUNNY—SITCOMS ARE COMING

CONTRADICTORY FRENCH TV

A TELCO BREAKS RANKS ON FIBER

THE POLITICS OF MUST-CARRY

ANNUAL LEADERSHIP FORUM: THE PROGRAMMING IMPERATIVE

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FRONT LINE

Bells are ringing 12
Bell Atlantic breaks ranks with the other telcos by pursuing an analog approach to a fiber broadband network slated for construction in Pennsylvania.

Eye of the storm 13
John Malone, the peripatetic president of Tele-Communications Inc., is at the center of three major deals now in the works: Turner/NBC, Showtime and Storer. Whether he's characterized as intermediary, instigator or the target of these deals, most believe he's calling the shots.

Tax reform talks 16
The cable industry apparently has emerged unscathed from a new round of tax reform negotiations in Washington, mainly by dodging a proposal to prohibit the amortization of intangible assets (read "franchise").

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FORUM

The case against overbuilds 24
Just say the word "overbuild" to most cable operators and they flinch. But a sound legal and public policy case can be made that overbuilds are bad for consumers, writes attorney Richard Berman.

INTERNATIONAL

Television the French way 26
France, it seems, wants to let the television genie out of the bottle of state control, while at the same time maintain its unique culture and national identity. It's the classic French contradiction.

LAW AND REGULATION

Same song, second verse 42
The cable industry seems to be occupying the catbird seat with must-carry again tossed out of court. But Washington politics could dictate another compromise. The question is, what do the broadcasters have to offer?

BUSINESS AND FINANCE

Making money the new-fashioned way 44
John Houseman apparently never met Harvey Sandler, a money manager who has bestowed an 870 percent return to investors in the 1980s. His secret: aggressive investing in media stocks, mainly cable. Naturally, many nice things are being said about the man.

COVER STORY

View from the top 32
In *CableVision*'s annnual Leadership Forum, five industry executives give their views on strategic questions that will shape the business in the next year. Listen in as Frank Biondi, Bill Daniels, Bob Clasen, Herb Granath and Narc Nathanson speak out on the programming imperative.
—Photos by Candace Drake, design by Don Ruth

BETWEEN THE LINES

FCC's legacy leaves TV in Hill's hands

The Federal Communications Commission is the expert government agency charged with implementing national communications policy.

The operative word in the above sentence is "policy." But given the FCC's track record of late in defending its decisions in court, the commission's ability to implement communications policy, to borrow a phrase from the Nixon administration, is "inoperative."

In the last two years or so, the FCC has been booted out of the U.S. Court of Appeals in Washington on what seems like every major cable and broadcast communications policy case. Must-carry has gone down in flames not once but twice. In two other major cable cases—effective competition and technical standards—the FCC has been merely singed by the court, but enough so as to rip open old sores that were well on the way to being healed.

On the broadcast side, the FCC has been rebuked by the court on two occasions for fundamental policy questions concerning children's TV, and then again for its position on the Fairness Doctrine.

And the future doesn't look much brighter for the commission's lawyers, who seem to have been reduced, in their apparent lack of either law or facts to bolster their arguments, to weakly pounding the table. Syndicated exclusivity seems certain to be reinstated by the commission, and just as certain to be faulted by the court.

A fair rebuttal to this criticism which could be made by the FCC is that it enjoys an impressive string of wins on common carrier and other non-television cases. In those areas the FCC's status as an expert agency to which the courts should largely defer remains unchallenged. But those essentially are economic issues, a fine-tuning of a large, established monetary picture.

The cable and broadcast cases, however, are different. They represent gut issues affecting the great American obsession, television. And more importantly, these cases involve issues that Congress cares about deeply, that automatically push the "hot" button of every Honorable on the Hill. For example, it's hard to imagine the federal government teetering on the edge of insolvency because an AT&T rate-of-return question had been attached to a continuing funding resolution. But that happened recently when Congress rose up in protest over the FCC's abandonment of the Fairness Doctrine.

It is not unusual or even of great moment that a federal agency's decisions are faulted by the judiciary. But what is remarkable about the FCC's recent cable and broadcast case history is that it exposes, in the eyes of Congress and the Court of Appeals, a feeling that the commission has been attempting to set communications policy instead of implementing it.

The fallout of this for cable and broadcast industry leaders is of great strategic importance. In years past the FCC could be relied on to perform as an honest broker. It was the immovable, unflappable traffic cop at the busy intersection of competing interests. You went to the FCC and made your best case, secure in a faith that the issue would be firmly resolved by commissioners who diligently weighed the pleadings against the public interest.

Privately, some communications industry leaders will concede that they no longer cling to that faith. The FCC, for them, has become merely a way station, a place to assume a proper posture, on a longer path that winds through the courts before ending, steep legal fees later, in a resolution of the issue at hand.

The real hazard, they fear, is that this longer path soon will lead into Congress, a venue that for them is a twilight zone of unpredictability where the only thing that counts is pressure politics, and who has the votes. This is not injurious to the public interest; indeed, it may well be necessary to finally resolve such thorny issues as must-carry. But Congress is in the business of passing laws, and one has to wonder if the communications industries would be pleased with such a result.

—Steve Tuttle
Editor and Associate Publisher

CableVision

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January 4, 1988
Volume 12, Number 34

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC.

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. Jan 4, 1988, Volume 12, Number 34. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

Film product comparison-February

Film	Pay Networks					Distributor
48 Hrs.	*HBO		*TMC		*MAX	Paramount
8 Million Ways To Die	(HBO)				MAX	Vestron
A Raisin in the Sun					*MAX	Columbia
A Streetcar Named Desire					MAX	Worldvision
About Last Night...	(HBO)				*MAX	Tri-Star
Above and Beyond					MAX	MGM/UA
Address Unknown					MAX	Columbia
Aliens	(HBO)		TMC		(MAX)	20th Century-Fox
All the Brothers Were Valiant		ST				MGM/UA
All the King's Men					MAX	Columbia
All the Right Moves			TMC			20th Century-Fox
American Ninja		*ST	(TMC)			Cannon
Amorous Adventures of Moll Flanders		ST				Paramount
An American in Paris		(ST)	(TMC)	(DIS)	MAX	MGM/UA
Apocalypse Now		ST			– MAX	MGM/UA
Armed Response	(HBO)				MAX	Cinetel
Assassination, The			TMC			Cannon
Assisi Underground		*ST	TMC			Cannon
At Last, At Last		ST	(TMC)			J. Brenner
Author! Author!					MAX	20th Century-Fox
Aviator, The					MAX	MGM/UA
Bad Medicine		*ST	TMC		(MAX)	20th Century-Fox
Battle Circus		ST				MGM/UA
Best of Times, The	HBO		(TMC)		(MAX)	Universal
Big Chill, The					MAX	Columbia
Big Trouble in Little China		ST			(MAX)	20th Century-Fox
Blind Date	HBO				(MAX)	Wescom
Boarding School					MAX	Paramount
Born American	(HBO)		(TMC)		MAX	Cinema Group
Boy Called Nuthin', A				DIS		Disney
Boys Next Door, The					MAX	New World
Brazil		ST			(MAX)	Universal
Breaking All The Rules	HBO				(MAX)	New World
Brighton Beach Memoirs	(HBO)	*ST	*TMC			Universal
Broken Promise		ST	(TMC)			Viacom
Bullies	(HBO)	ST	(TMC)			Universal
Bye Bye Birdie	HBO					Columbia
Cat Ballou	HBO					Columbia
Cat From Outer Space				DIS		Disney
Catch 22			TMC		MAX	Paramount
Charley and the Angel				*DIS		Disney
Children of a Lesser God		(ST)	*TMC			Paramount
Chisum		(ST)	(TMC)		*MAX	Warner Bros.
Chosen, The	HBO				(MAX)	20th Century-Fox
Christmas Visitor				*DIS		Disney
Class of Nuke'em High		ST	(TMC)			Troma
Cobra	HBO				(MAX)	Warner Bros.
Cocoon	HBO	*ST	*TMC		(MAX)	20th Century-Fox
Color of Money, The		*ST	*TMC			Touchstone
Compromising Positions		ST	TMC			Paramount
Concrete Jungle, The		(ST)	TMC			Lorimar
Country		(ST)	TMC			Touchstone
Cowboys, The			(TMC)		MAX	Warner Bros.
Crimes of the Heart		ST	TMC			DEG
Critical Condition		ST	TMC			Paramount
Cyclone					MAX	Cinetel
Death of a Soldier	HBO					Scotti
Death on the Nile	(HBO)		*TMC			Paramount
Death Wish 3		ST	*TMC			Cannon
Deja Vu					MAX	Cannon
Desert Bloom	HBO				(MAX)	Columbia
Don't Go Near the Water			(TMC)		MAX	MGM/UA
Dot and the Whale				DIS		Cori Films
Down and Out in Beverly Hills			*TMC			Touchstone
Down Argentine Way				DIS		20th Century-Fox
Dr. Strangelove or How I Learned					MAX	Columbia
Dragonslayer	(HBO)	(ST)	(TMC)	*DIS		Paramount
Dream and the Triumph		ST				Atlantis
Dream Lover	(HBO)		(TMC)		*MAX	MGM/UA
El Dorado			TMC		MAX	Paramount
Eliminators			*TMC			DEG
Except for Me and Thee				*DIS		Lorimar
Eyes of a Stranger					MAX	Warner Bros.
Eyes of the Amaryllis				DIS		Coe Films
Fail-Safe					MAX	Columbia
Fantasy Film Worlds				DIS		Leibovit Productions
Fast-Walking		*ST				Lorimar
Fearless Vampire Killers			TMC			MGM/UA
Felicity		ST				Satori
Fifth Missile, The		ST				Turner
Fire With Fire		(ST)	TMC			Paramount
Firewalker		*ST				Cannon
Fixer, The		ST				MGM/UA
Fly, The	(HBO)	(ST)	(TMC)		*MAX	20th Century-Fox
Free Spirit			TMC			J. Brenner
From Hell To Texas				DIS		20th Century-Fox
Gambler, The			TMC			Paramount
Garbo Talks		ST				MGM/UA
Gift of Life, The	HBO					Televentures
Glass Bottom Boat, The			*TMC	(DIS)	(MAX)	MGM/UA
Gnomes Great Adventure	(HBO)	ST				Miramax
Golden Child, The		ST	TMC			Paramount
Goonies, The	HBO				(MAX)	Warner Bros.
Gorky Park			*TMC		(MAX)	Orion
Grambling's White Tiger				DIS		Interplanetary
Great Wall is a Great Wall, The					MAX	Orion
Great Wall, A			TMC			Orion
Groove Tube, The	HBO				(MAX)	Pickman
Guess Who's Coming to Dinner?					MAX	Columbia
Gulliver's Travels				*DIS		Miramax
The Hand					MAX	Warner Bros.
Happy Hooker, The		(ST)	TMC			Cannon
Hardbodies	(HBO)	(ST)	TMC		(MAX)	Columbia
Haunted Honeymoon		*ST	(TMC)		(MAX)	Orion
Haunted School, The				*DIS		Revcom
Head Office	HBO				(MAX)	Silver
Hellcats of the Navy					MAX	Columbia
Here Comes Mr. Jordan					MAX	Columbia
Highlander	(HBO)	(ST)	TMC			20th Century-Fox
Hobson's Choice	HBO					Televentures
Holcroft Covenant, The	(HBO)				MAX	Thorn-Emi
Home in Indiana				DIS		20th Century-Fox
The Homestretch				DIS		20th Century-Fox
Hot Target	HBO					Crown Int'l
Hour of the Assassin					MAX	MGM/UA
House of the Rising Sun	*HBO					Fox/Lorber
Howard the Duck	HBO	ST			(MAX)	Universal
Howling II	HBO				(MAX)	Hemdale
I Own the Racecourse				DIS		Miramax
I Walk Alone		ST				Paramount
I'd Climb the Highest Mountain					MAX	20th Century-Fox
In Search of a Golden Sky	*HBO					TMS Pictures
In the Good Old Summertime				DIS	MAX	MGM/UA
In the Shadow of Kilimanjaro					MAX	Scotti Bros.
Indiana Jones and the Temple of Doom	HBO				MAX	Paramount
Invasion U.S.A.		(ST)	*TMC			Cannon
Jake Speed	(HBO)				MAX	New World
Jewel of the Nile	HBO		TMC		(MAX)	20th Century-Fox
Jo Jo Dancer, Your Life is Calling	(HBO)				MAX	Columbia
Julia		*ST			(MAX)	Essex
Just Between Friends	(HBO)		*TMC		MAX	Orion
Just the Way You Are		ST	TMC		MAX	MGM/UA
Karate Kid Part II	HBO				(MAX)	Columbia
King Kong Lives		*ST	*TMC			DEG
King Solomon's Mines		ST	(TMC)			Cannon
Kismet		ST				MGM/UA
Klute	HBO	(ST)			(MAX)	Warner Bros.
Krush Groove	(HBO)				MAX	Warner Bros.
Last Detail, The					MAX	Columbia
Learning Tree, The	HBO					Warner Bros.
Legend	(HBO)	(ST)	(TMC)		*MAX	Universal
Let's Make a Dirty Movie					MAX	Satori
Letter to Brezhnev			TMC			Circle
Light Blast		*ST	(TMC)			Lorimar
Little Shop of Horrors	HBO					Warner Bros.
Liz		ST				Satori
Lone Star		ST				MGM/UA
Lookin' To Get Out			*TMC		MAX	Lorimar
Loose Screws		*ST	(TMC)		*MAX	Concorde
Low Blow	HBO					Crown Int'l
Lucky Lady			TMC			20th Century-Fox
Macaroni		ST	TMC			Paramount
Malibu Bikini Shop	(HBO)		TMC			New Century
Malibu Express			(TMC)		MAX	Malibu Bay
Man From Button Willow		ST				Les Haber

Film	Pay Networks					Distributor
Man Who Came to Dinner		(ST)		DIS		MGM/UA
Man Who Corrupted Hadleysburg				DIS		Bedford
Manhattan Project, The	(HBO)	(ST)	TMC		(MAX)	20th Century-Fox
Manhunter		(ST)	TMC			DEG
Many Adventures of Winnie the Pooh				DIS		Disney
Marie: A True Story		ST				TBS
Maximum Overdrive		ST				DEG
Men of the Fighting Lady			TMC			MGM/UA
Miracles	HBO				(MAX)	Orion
Missing in Action	HBO				(MAX)	Cannon
Mission Hill					MAX	Paramount
Missionary, The	HBO					Columbia
Misty				DIS		UPA Production
Misunderstood	HBO		(TMC)	DIS	(MAX)	MGM/UA
Modern Girls		(ST)	*TMC			Paramount
Montgomery to Memphis					MAX	Fox/Lorber
Mosquito Coast, The					MAX	Warner Bros.
Movers & Shakers	HBO				(MAX)	MGM/UA
Murphy's Law		(ST)	*TMC			Cannon
Rumplestiltskin			TMC			Cannon
Run, Cougar, Run				DIS		Disney
Running Out					MAX	Televentures
Running Scared	*HBO				(MAX)	MGM/UA
Ruthless People		(ST)	*TMC			Touchstone
Saint Joan					MAX	Hal Roach
Saving Grace	*HBO				(MAX)	Columbia
Secrets of Love					MAX	Dolmatch
Serpico					MAX	Paramount
Seven Brides for Seven Brothers		ST	(TMC)		(MAX)	MGM/UA
She Wore a Yellow Ribbon					MAX	RKO
She's Gotta Have It		(ST)			MAX	Island
Shipwreck!		ST			(MAX)	Warner Bros.
Shoes of the Fisherman		ST			MAX	MGM/UA
Short Circuit	(HBO)				*MAX	Tri-Star
Sid and Nancy			TMC			Goldwyn
Silent One, The	HBO	(ST)	TMC			Satori
Sinbad and the Eye of the Tiger	HBO					Columbia
Six Weeks			*TMC			King Features
Slow Burn			TMC			Showtime
Slugger's Wife, The	(HBO)				MAX	Columbia
Smoke				*DIS		Disney
Smooth Talk					MAX	Int. Spectrafilm
Some Kind of Hero			TMC			Paramount
Spiral Staircase, The					MAX	Warner Bros.
Stalag 17			*TMC		(MAX)	Paramount
Star Spangled Girl			TMC			Paramount
State Fair				DIS	(MAX)	20th Century-Fox
Stephen King's Silver Bullet		ST	(TMC)			Paramount
Still of the Night					MAX	MGM/UA
Stoogemania		(ST)	TMC			Atlantic
Streetwalkin'			*TMC		MAX	Concorde
Summer of '42			(TMC)		MAX	Warner Bros.
Summer Stock				DIS	MAX	MGM/UA
Sunday Dinner For a Soldier					MAX	20th Century-Fox
Sweet Liberty		(ST)	*TMC		*MAX	Universal
Tai-Pan		ST				DEG
The Tamarind Seed	HBO					ITC
Target	*HBO				(MAX)	Warner Bros.
Tea and Sympathy					MAX	MGM/UA
The Hasty Heart					MAX	Warner Bros.
The Stuff					MAX	New World
These are the Damned					MAX	Columbia
Mussolini: Part I	*HBO					Rai Radio
Mussolini: Part II	HBO					Rai Radio
My Side of the Mountain				*DIS		Paramount
Never Too Young to Die			*TMC			Goldwyn
Nightmare on Elm Street Part 2	(HBO)				MAX	New Line
No Mercy	HBO					Tri-Star
Odd Jobs	HBO					Silver
The Omega Syndrome					MAX	New World
On the Double				DIS	(MAX)	Paramount
Opposing Force	HBO				(MAX)	Orion
Ordinary People		*ST				Paramount
Outlaw Josey Wales, The		(ST)	*TMC		(MAX)	Warner Bros.
Over the Top	HBO				MAX	Warner Bros.
Owl and the Pussycat	HBO					Columbia
P.O.W. the Escape		(ST)	TMC			Cannon
Paper Moon			TMC		MAX	Paramount
Pat and Mike			TMC		MAX	MGM/UA
People Against O'Hara			TMC			MGM/UA
Pink Chiquitas, The			*TMC			20th Century-Fox
Pirates of Tortuga				*DIS		20th Century-Fox
Platypus Cove		ST	(TMC)			Miramax
Play It Again, Sam			TMC		MAX	Paramount
Playing For Keeps	(HBO)		*TMC			Universal
The Point				*DIS		Murakami/Wolf
Police Academy 3	(HBO)				*MAX	Warner Bros.
Poltergeist II	HBO				(MAX)	MGM/UA
Postman Always Rings Twice		*ST			(MAX)	Lorimar
Power	HBO				(MAX)	Lorimar
Prince and the Pauper				DIS		Disney
Promises in the Dark					MAX	Warner Bros.
Radio Days		ST	TMC		MAX	Orion
Rainbow Brite	HBO					Warner Bros.
Rascals and Robbers				DIS		Televentures
The Ratings Game			TMC			Imagination
Raw Deal		(ST)	TMC			DEG
Red Badge of Courage		ST		(DIS)	(MAX)	MGM/UA
Red Dawn	(HBO)	ST	(TMC)		MAX	MGM/UA
Red Line 7000			TMC			Paramount
Return of the Antelope				*DIS		Granada TV Int'l
Return of the Jedi	(HBO)	(ST)			*MAX	Lucasfilm
Return of the Soldier					MAX	Brent Walker
Rich and Famous	HBO		(TMC)			MGM/UA
Richard Pryor Here and Now		(ST)	TMC		(MAX)	Columbia
Rings on Her Fingers					MAX	20th Century-Fox
Rogue Cop			TMC			MGM/UA
Rollover					*MAX	Warner Bros.
They Only Kill Their Masters			TMC		MAX	MGM/UA
Thunder Run			TMC			Cannon
Tiger Makes Out, The					MAX	Columbia
Tingler, The					MAX	Columbia
To the Shores of Tripoli				DIS		20th Century-Fox
Toby McTeague				DIS		Spectrafilm
Tom Sawyer, Detective				DIS		MCA TV/Paramount
Trading Places		(ST)	*TMC			Paramount
Trouble in Mind	HBO		(TMC)		(MAX)	Columbia
True Grit				DIS	MAX	Paramount
Tuck Everlasting				*DIS		Coe Film
The Turning Point	HBO	(ST)	TMC			20th Century-Fox
Twice in a Lifetime		ST	*TMC			Roberts
Two Against the Artic				*DIS		Disney
Under Fire	HBO	ST	(TMC)		(MAX)	Orion
Unico in the Island of Magic				DIS		Sanrio
Violets are Blue...	(HBO)				MAX	Columbia
Waltz Across Texas			TMC			Atlantic
What Comes Around	HBO				(MAX)	Simcom
Where are the Children?	HBO				(MAX)	Columbia
Whiz Kid and the Mystery at Riverton				DIS		Disney
Whoopee Boys, The		(ST)	TMC			Paramount
Wild and Beautiful on Ibiza		ST				K-Pay
Wild Geese II	(HBO)				MAX	Thorn-Emi
The Wild Pony				DIS		Cori
The Wings of Eagles			TMC		MAX	MGM/UA
Wisdom	HBO	ST	TMC			20th Century-Fox
Wise Guys			TMC			TBS
Witch's Sister		ST				Film Gallery
Witness		*ST	*TMC			Paramount
Wizards of the Lost Kingdom	HBO					Worldvision
Wolfen					*MAX	Warner Bros.
Wonder Woman			*TMC		(MAX)	Warner Bros.
World According to Garp					MAX	Warner Bros.
Yankee Doodle Dandy				DIS		MGM/UA
You Light Up My Life	HBO					Columbia
Your Place...Or Mine	HBO					Lorimar
The Zero Boys	HBO				(MAX)	Forminx

Cable Network Legend:
TMC—The Movie Channel
HBO—Home Box Office
DIS—The Disney Channel
ST—Showtime
MAX—Cinemax

- Networks in parentheses indicate carriage in August, September, October, November and/or December.
- An asterisk indicates the film is a carry-over from August, September, October, November and/or December.
- In total, 303 films appear on the January schedules of Home Box Office, Showtime, The Movie Channel, The Disney Channel and Cinemax. Of these titles, during the last six months, none have played on all five services, eleven have played on four of the five services, twenty-seven have played on three, and one hundred and five have played on two of the five services. One hundred and fifty-four titles on the December schedules of these five services were unduplicated in the last six months.
- The motion picture distributor with the most titles is MGM/UA with 37. Paramount with 30, Columbia with 28, 20th Century-Fox with 25, Warner Bros. with 24.

CABLE STATS

Subscriber Count

Satellite national services

ACTS Satellite Network	351	6,300,000
Alternate View Network	242	2,800,000
America's Value Network	212	8,000,000
Arts & Entertainment (A&E)	2,400	27,000,000
Black Entertainment Television (BET)	1,000	18,000,000
Cable News Network (CNN)	11,423	41,642,000
Cable Value Network	150	19,000,000
CBN Cable Network	7,817	37,212,000
C-SPAN	2,700	32,500,000
C-SPAN II	485	12,500,000
Consumer Discount Network	68	550,000
Country Music Television	520	6,750,000
The Discovery Channel	2,650	26,491,000
ESPN	18,876	45,200,000
Eternal Word Television Network (EWTN)	387	7,100,000
The Fashion Channel	500	6,500,000
Financial News Network (FNN)	1,770	27,300,000
FNN/Score	1,150	19,800,000
FNN/TelShop	850	11,000,000
GalaVision	300	1,000,000
Gospel Music Network	31	744,447
Headline News	3,452	28,352,000
Hit Video USA	170	2,164,000
Home Premiere Television	7	247,000
Home Shopping Network	1,108	15,200,000
Home Shopping Network 2	260	5,800,000
The Inspirational Network	1,100	10,700,000
International Television Network	56	7,868,900
The Learning Channel	930	11,000,000
Liberty Broadcasting Network	39	1,049,218
Lifetime	3,500	34,000,000
The Motivation Network	24	450,000
Movietime	60	4,000,000
Music Television (MTV)	4,340	37,100,000
The Nashville Network	5,200	35,000,000
National Jewish Television (NJTV)	295	6,800,000
National Shopping Club	65	1,500,000
NewJaz-TV	200	300,000
Nick At Night	3,862	31,000,000
Nickelodeon	5,430	35,800,000
The Nostalgia Channel	150	1,400,000
QVC Network	731	10,935,000
Shop Television Network	60	3,000,000
Silent Network	300	9,500,000
Tempo Television	650	12,500,000
The Travel Channel	212	6,800,000
Trinity Broadcasting Network	523	7,037,000
USA Network	9,200	41,000,000
Video Hits One (VH-1)	1,697	20,800,000
Video Shopping Mall	600	14,000,000
The Weather Channel	3,100	31,600,000
WGN-TV	10,677	23,201,000
WOR-TV	2,270	9,627,636
WPIX-TV	412	8,002,365
WTBS-TV	12,399	41,642,000

Pay services

American Exxxtasy	60	40,000
American Movie Classics	1,300	9,000,000
Bravo	350	1,000,000
Cinemax	3,650	4,100,000
The Disney Channel	4,300	3,175,000
Festival	N/A	N/A
Home Box Office (HBO)	6,700	15,000,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	600	520,000
Showtime	3,200	5,700,000

Audio services

Cable Radio Network	39	1,300,000
KKGO Super Jazz	16	145,280
Moody Bible Institute	62	937,611
Satellite Radio Network	251	740,000
Seeburg Lifestyle Music	142	2,576,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	107	350,000
WFMT Chicago	182	1,399,125

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	40	2,353,322
DBC/MarketWatch	240	5,000,000
Electronic Program Guide (EPG)	323	7,147,342
EPG Jr.	154	165,417
Genesis Cable Storytime	37	1,505,000
Reuters News View	127	2,437,000
TV Decisions	177	6,818,487
UPI Data Cable	450	4,000,000
X*Press	346	1,200
X*Press Exchange	346	6,400

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Video Entertainment	205	15,500,000
Fuji Network	3	12,000
Nippon Golden Network	3	12,780
Telaction	N/A	N/A
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	160,000
Bay Area Religious Channel (BARC)	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	35	1,364,836
The Ecumenical Channel	9	170,000
KTVT	237	2,812,657
Life Newsvision	35	50,000
Madison Square Garden	92	2,092,434
Meadows Racing Network	15	600,000
News 12 Long Island	7	500,000
Prime Cable	8	344,350
Prime Ticket	37	2,250,000
SportsVision (Chicago)	47	1,025,200

Pay services

Home Sports Entertainment Houston/Dallas	140	450,000
Home Team Sports	114	719,000
New England Sports Network	157	213,171
PRISM-Philadelphia	88	415,420
Pro-Am Sports	140	30[illegible],000
SportsChannel (Florida)	2	45,000
SportsChannel (New England)	147	762,000
SportsChannel (New York)	92	1,000,000
Z Channel	17	80,000

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1109, New York, NY 10016.

N/A denotes information not available.

TBA denotes to be announced.

Announced services

Satellite-fed services	Expected launch
Advertiser Television	1st Quarter 1988
Americana Network	2nd Quarter 1988
Cable TV & Appliance Network	2nd Quarter 1988
EPG Prevue	1/88
International Cablecasting's CD/8—The Digital Music Network	1st Quarter 1988
Kids Information Network	3/88
The Landscape Channel	2nd Quarter 1988
Laugh TV	1st Quarter 1988
Main Street	2nd Quarter 1988
The Preview Network	2nd Quarter 1988
Telamaerica Broadcast Network	2nd Quarter 1988
Teleworld Network Television	5/88
Wingtips	2nd Quarter 1988
You TV	3/88

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JANUARY 18, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

THE STORER DEAL GETS DONE

BACK TO SQUARE ONE ON COPYRIGHT

CABLE STOCKS REBOUND

GERMAN TV: WAS IST DAS?

ANNUAL LEADERSHIP FORUM, PART 2

NOW HERE'S THE INDEPENDENTS' NEWS: RATINGS UP, FINANCIAL SKY CLEARING

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FRONT LINE

Copyright scheme overturned 12
It's back to square one in cable copyright following a federal appeals court ruling that operators may not pay royalties only on revenues from basic service attributable to retransmission of broadcast signals.

Goring the Gore bill 16
The minority committee report on the Gore bill mandating third-party packaging of scrambled cable signals excoriates the measure, calling it about every name in the book.

One more time for NBC/TBS 18
What was billed as a final effort to bring NBC into TBS was to be made last week. Miracles have happened, but in this case, the players and their positions don't seem to have changed.

What Black Monday? 20
Thanks mainly to the Storer deal and the overall upward trend in the market, many cable stocks have recovered from the hit they took during the October crash. We list the top ten gainers.

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Cable's drive for exclusivity masks the underlying issue of the coming competition with telephone companies, writes Community Antenna Television Association President Steve Effros, who also derides suggestions that cable give up its compulsory license.

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The Great White(wash) North 42
The free-trade agreement negotiated between the U.S. and Canada accomplishes much, but the cable industry and Hollywood feel that they came out on the short end. While some promises to rectify copyright problems were made, the "freebies" will continue for some time.

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BUSINESS AND FINANCE

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Say what you will about the Storer deal—that it was the biggest deal done ever, that too much is being paid, or that it brings together buyers with radically different philosophies—the bottom line is that the public and private markets for systems keeps steamrolling ahead.

Warner lends a handful 52
The largest black-owned cable system in the country will begin construction in the New York borough of Queens next month, thanks to an innovative lending/equity agreement with Warner Communications.

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COVER STORY

Assessing the indies 22
WNYW-TV New York is in the news because of Rupert Murdoch's tiff with Ted Kennedy over media cross-ownership rules, but the independent station, like most others around the country, is enjoying better ratings, better revenues and a better image. Cable operators should take notice.
—Photo by Candace Drake

ESPN had the games and nobody complained

ESPN has completed its first year of National Football League regular season games, and the big news is, there wasn't any big news.

Now hold on a minute, you might say. Didn't the NFL on ESPN produce a combined average rating of 12.4 (a 10.6 cable-only rating), about three rating points higher than the network guaranteed advertisers? And didn't 98 percent of ESPN's universe carry the games, well above the 90 percent circulation figure guaranteed? And wasn't ESPN's production of the games of high quality, so good in fact that most critics said they were indistinguishable from those on the Big 3 networks? And didn't hundreds of cable systems reap an advertising windfall? Yes, yes, yes and yes.

But here's what didn't happen: Nobody—neither Congress, nor football fanatics, nor broadcasters nor the NFL owners—raised a hue and cry that ESPN was undermining the Republic. It seems difficult now to recall the alarums sounded when the deal was announced, mainly to the effect that if *cable* (enunciated with definite distaste) were allowed to stick its nose into the pro sports tent, then what would be next, the Super Bowl?

Well, it remains doubtful that the Super Bowl soon will be carried by a cable network, but after this maiden NFL season on ESPN, that at least has become a real possibility and not rhetoric.

In any event, ESPN specifically and the cable industry generally now is entitled to a small, private smile for successfully achieving a significant milestone; an immense accomplishment done modestly.

—Steve Tuttle
Editor and Associate Publisher

Letters

Your "network bashing" piece in the Dec. 21 edition of *CableVision* was right on target.

The three commercial networks have done a terrific job over the years and will, unquestionably, be around and contribute much to the media mix of the future. You are correct that cable should not engage in "bashing" network efforts or relishing in recent network erosion of audience share. Certainly cable should compete aggressively for programming and audience share against the networks, but to indulge in open or indirect attacks on broadcast network administration or programming is neither good business or effective political strategy.

The cable television industry has grown dramatically and contributed much to the maturation of America's television viewing habits and priorities. As an industry we should take pride in what we've done, but not engage in unprofessional or unproductive criticism of what clearly is the best commercial and non-commercial network television system in the world.

Thanks for reminding us to behave.

Rod Thole
Executive Vice President
Heritage Communications

Amen to your editorial of Dec. 21 subject: "Cable's Network Bashing" from a guy who was thrown out of the network's offices many times in the early days. My Dad taught me as a young man never knock the competition—just do the best job that you can.

Your editorial is timely and well written.

Bill Daniels
Chairman
Daniels & Associates

CableVision

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Publisher
Steve Tuttle
Editor and Associate Publisher

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January 18, 1988
Volume 12, Number 35

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. Jan 18, 1988, Volume 12, Number 35. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

Court invalidates copyright allocations

Ruling seen pushing royalties back over $100 million but may ease tensions with Hollywood

By John Wolfe

WASHINGTON—The courts giveth, and the courts taketh away.

Sixteen months ago, a U.S. District Court judge ruled that the U.S. Copyright Office had forced cable operators to pay too much in royalties for retransmitted broadcast signals—a decision which effectively slashed cable copyright payments in half.

But on Jan. 5, the U.S. Court of Appeals, D.C. Circuit, unanimously overturned the District Court's interpretation of the 1976 Copyright Act. Should the three-judge panel's ruling stand, cable operators likely will be required to pay tens of millions of dollars in copyright fees withheld during 1986.

But the reversal could help to create a more favorable climate for negotiations between cable and Hollywood. Immediately after the District Court's ruling, Motion Picture Association of America President Jack Valenti launched a wide-ranging political attack on cable. But with that decision now invalidated—and copyright fees back at their pre-1986 level—the bargaining positions now may be more even, according to some observers.

Some cable officials predicted that the decision may take the steam out of MPAA's vigorous anti-cable campaign. But one Hollywood lobbyist termed that view "wishful thinking." There is "no inclination to let up," he said.

U.S. District Court Judge June Green's July 31, 1986, ruling overturned a policy of the U.S. Copyright Office requiring cable operators to pay royalties based on a percentage of gross revenues from any tier containing retransmitted broadcast signals. Such a system, Green wrote, constituted an unfair double payment because operators already paid affiliate fees to carry cable networks, which make up the bulk of the tiers.

Instead, Green ordered the Copyright Office to craft new regulations enabling operators to pay royalties based solely on revenues directly attributable to broadcast retransmission. The effect of Green's decision was dramatic: In 1985, operators paid a record $103.4 million in copyright royalties; in 1986, that figure dropped to $58.8 million.

In a consolidated case, Green also ruled that Cablevision Systems' interpretation that copyright fees should only be paid on revenues from basic—not all tiers including broadcast signalswas incorrect. Since 1979, Cablevision had kept all local signals on basic and offered distant signals on an optional tier. But Green also dismissed copyright infringement counterclaims filed by MPAA and its member studios, ruling that Cablevision did not violate the "spirit" of the copyright law.

A History of Cable Copyright Payments

Year	Amount
1980	$20,068,172.61
1981	$30,898,793.33
1982	$41,000,523.57
1983	$72,540,051.20
1984	$88,379,810.31
1985	$103,465,003.15
1986*	$58,809,308.28

*Note: the 1986 figure is the first year adjusted for U.S. District Court Judge June Green's Cablevision decision.

The Appeals Court, however, ruled that the lower court should have deferred to the Copyright Office's interpretation of the Copyright Act. Deeming the Copyright Office an "expert agency" is at the heart of the case, according to attorneys, because courts typically defer to an expert agency's interpretation of legislative language if that interpretation is considered "reasonable."

The National Cable Television Association had argued in support of the lower court's decision, claiming that operators should be permitted to pay royalties based on the value of broadcast programming. The Appeals Court, however, took a dim view of that approach, claiming it "reads 'basic service' out" of the Copyright Act. "We find no requirement in the statute or its history that the fee paid by a cable system reflect precisely the value it received from the transmissions," the court wrote.

Moreover, adopting NCTA's interpretation would lead to "methodological wrangles and monitoring expenses far in excess of those required under the Copyright Office's regulation," the court said. "The Copyright Office's interpretation avoids these obvious pitfalls," the court added, "and that practicality alone provides substantial support for the reasonableness of its interpretation."

That reasonableness "is further bolstered by the ability it provides cable systems to control their own destiny," according to the opinion. The court noted that the regulation would not prohibit operators from placing all broadcast signals on a single tier and paying revenues solely on revenues from that tier.

NCTA found solace in that part of the decision. "One of the reasons we originally brought this lawsuit was the concern that the Register of Copyright would require royalty fees to be paid on gross revenues from multiple tiers of service, even where broadcast signals appeared only on one of the tiers," stated NCTA President James Mooney. The Appeals Court, Mooney noted, "has rather clearly signaled it would frown on such a scheme."

The court also upheld Green's decision that Cablevision had incorrectly interpreted the Copyright Act. However, the counterclaims filed by the copyright owners were reinstated, the court said, because Green did not explain adequately her reasons for dismissal.

Cablevision has not determined if it will appeal the decision to the U.S. Supreme Court, but a lawyer for the MSO indicated that the remand may be acceptable. "This is not necessarily a bad decision for Cablevision" because Green still could dismiss the counterclaims with a fuller explanation, said attorney Mark Tauber. "I'm not so sure that we would feel so uncomfortable in district court with Judge Green," he noted.

The cable industry seemed sanguine about the ruling, largely because many industry attorneys had expected the district court decision to be overturned. Indeed, most operators had placed the money saved by reduced copyright payments into escrow accounts pend-

See **Copyright**, *page 16*

Minority report slams Gore bill

Third-party packaging measure is 'bad legislation' offering 'ill-conceived remedies'

WASHINGTON—Legislation sponsored by Sen. Albert Gore, D-Tenn., requiring third-party distribution of scrambled cable programming to backyard dish owners will face stiff opposition should it reach the Senate floor, according to the Commerce Committee's report on the measure.

But it remains uncertain when—or if—S.889 will reach the Senate floor. Gore had hoped to move the bill before the end of 1987; however, observers now predict that the senator's campaign for the Democratic presidential nomination could delay action on S.889 until mid-year. Few expect the measure to move before the "Super Tuesday" spate of primaries on March 8.

The Commerce Committee approved S.889 during a tumultuous mark-up session in late November. As reported, the measure would guarantee TVRO owner access to scrambled cable networks, and would require programmers to establish "reasonable financial and character criteria" for third-party distributors. The bill also stiffens the penalties for signal theft and mandates formal inquiries by the Federal Communications Commission and the Federal Trade Commission.

In a report rife with misspellings and typographical errors, the committee backed away from previous contentions that dish owners pay more for programming than do cable subscribers. But the committee "believes it is less important to focus on prices and more important to focus on market structure," the report said. Specifically, the panel "is concerned about the incentives to discriminate against home dish owners because of the vertical integration of cable operators and programmers."

During the committee mark-up, communications subcommittee Chairman Daniel Inouye, D-Hawaii, vowed to fight the measure on the floor, and an opposition report authored by Inouye and Sen. Ted Stevens, R-Alaska, termed the bill "bad legislation."

Inouye and Stevens chastised the committee for "moving forward based not on what exists but on what some claim exists." The legislation's "foundation rests on circumstantial, anecdotal and unproven claims," and its "edifice contains ill-conceived and expensive remedies," the senators wrote.

A "fundamental problem" with the bill is that it only would apply to satellite-delivered cable programming, according to Inouye. "To construct a policy based on the type of transmission media used makes little sense," the minority report stated. The bill "skews the marketplace by providing an incentive for cable programmers, and only these programmers, to use other transmission media."

Inouye also cited "a basic problem with the evidence used" to support S.889. "Just because programmers distribute either themselves or only through cable operators does not mean that a competitive marketplace does not exist," he wrote. "The evidence," he added, "is to the contrary."

Inouye predicted the measure would "foster endless litigation," because determining "reasonable financial and character criteria" likely will take "many years and many lawsuits." Such litigation may remain unsettled when the third-party packaging provisions sunset in five years, Inouye suggested.

Sen. John Kerry, D-Mass., also opposed the bill, claiming Senate action on S.889 "is premature, to say the least." The "fundamental premise underlying the legislation is flawed," Kerry wrote, noting that the FCC recently concluded that a competitive C-band direct market is developing without government intervention.

Even if legislation is necessary, S.889 would be "seriously flawed" because it singles out backyard dishes "while discriminating against the development of other promising technologies" such as MMDS, Kerry claimed.

Should the bill reach the Senate floor, Sen. Larry Pressler, R-S.D., has promised to offer an amendment which would curb the volume discounts offered to large MSOs. That measure, supported by Gore, would favor smaller operators and could undermine cable industry opposition to the legislation.

Pressler reaffirmed his intent to offer the amendment to S.889 in the committee report, writing that price discrimination against small, independent cable operators "exists today." Volume discounting, the senator claimed, "has resulted in a competitive imbalance between the largest operators and the rest of the cable competitors in the business."

—John Wolfe

Copyright, *from page 12*

ing the appeal.

NCTA will "study carefully the court's opinion," Mooney said, "to define precisely what it means in operational terms, and to consider whether to appeal to the Supreme Court." That decision will be made by NCTA's board of directors at its Jan. 25 meeting in Los Angeles.

"Given that we now have the opportunity to adjust our tiers and change our prices at will," claimed Community Antenna Television Association President Steve Effros, "we can just put all the broadcast signals on one tier and accomplish what the District Court did."

But with distant signals becoming less important to operators, Effros predicted that the Appeals Court decision would hasten efforts to modify the compulsory license. "The value of the compulsory license to cable just went down to some degree," he noted, "because the cost of the license just went up."

Not surprisingly, MPAA heartily embraced the court's decision. "It's a good feeling to know that reasonable regulations of the Copyright Office have been confirmed," Valenti said.

Meanwhile, the Copyright Office is expected to begin a proceeding to develop regulations implementing the court's guidelines. The Appeals Court also urged the office to clarify its position on cable copyright liability for revenues from tiers marketed in conjunction with tiers which include broadcast signals.

The Copyright Office also likely will seek to recover the estimated $50 million to $60 million in unpaid royalties for 1986. That could prove problematic for operators who acquired systems during the past year, noted attorney Leonard Baxt. "The copyright liability goes to the new owner," Baxt said, "It's an additional cost of doing business." ■

Stocks recover from Black Monday

Big Storer deal, realization of asset values push many issues to pre-crash levels

By Virginia Munger Kahn

NEW YORK—Bolstered by the affirmation of asset values represented by the $2.9 billion Storer deal and the overall upward trend in the market, cable stocks have come back about 20 percent from their post-crash lows. By Jan. 7, the Dow Jones Industrial Average was up 18 percent since mid-October. However, the next day the market plummeted 140 points.

Among the cable stocks that have performed the best in recent weeks have been Century Communications, Comcast Corp. and United Artists. Analysts say that many of the issues hit hardest in the October crash have gained the most in the winter rally. Barry Kaplan, media analyst with Goldman Sachs & Co., notes that Century Communications "really got hammered" in the crash, falling from a high of $21.75 just before Black Monday to a low of $10 after the crash. Now it is trading close to $17, which represents a 70 percent rise.

Biggest gainers since crash week among MSOs and programmers

Exch	Company	Closing Quote 10/23/87	Closing Quote 12/31/87	Percent Change In Period
OTC	Century Communications	12.50	17.75	+42.00
ASE	Tempo Enterprises	5.00	7.00	+40.00
OTC	Rogers Cable Amer.	16.13	22.38	+38.75
OTC	Comcast	18.38	24.63	+34.00
OTC	United Artists	18.50	23.50	+27.03
OTC	TCA Cable TV	23.13	28.75	+24.30
ASE	Lorimar-Telepictures	8.25	10.25	+24.24
ASE	Cablevision Sys. (a)	21.25	26.13	+22.96
ASE	Rogers Communication	19.00	22.63	+19.11
NYS	Playboy Enterprises	10.75	12.75	+18.60

Source: David J. Siegel, Kidder, Peabody & Co.

Cable stocks spurted the last week in December and posted further gains of 5 percent to 8 percent during the first week in January. That uptick in activity in December is attributed to the announcement of the Storer deal on Dec. 24 and the perception that there were bargains to be had in the over-the-counter market where many cable stocks are traded. The over-the-counter market gained 16 percent the last three weeks of December.

By Jan. 5, cable was among the top five performing industry groups over the last six months, according to *Investor's Daily*, despite a drop in value of 1.4 percent during that period. In trading Jan. 6, the cable group was again one of the top performers, with 3 percent of its issues setting new highs, the newspaper reported.

Analysts note some of the stocks that have performed the best in recent weeks are takeover targets, including Tempo Enterprises and Rogers Cablesystems of America, which are being acquired by Tele-Communications Inc. and RCA parent Rogers Communications, respectively. In addition, some highly leveraged issues that were dumped after the crash have come back strongly.

"Leverage is coming back into fashion," says John Tinker, media analyst with Morgan Stanley, commenting on why Viacom International's stock has gained 20 percent since its Oct. 23 close of $16. "It really is a return to confidence," he says.

That return to confidence has been reflected in the junk bond market lately, reports Mike Marocco, associate at Morgan Stanley, where cable issues now are trading at higher prices. He notes, for example, that Comcast is trading almost at par, yielding 11.75 percent, whereas a few weeks ago it was trading in the low 90s (90 percent of par) with yields of 13 percent. The new issue market is yet to be tested, he notes, but the secondary or trading market is doing better than it has for the last few months.

Despite that return to confidence, there still are cable issues that have made little headway since they plummeted last fall. Among those stocks is Adelphia Communications, which on Dec. 31 was trading almost 10 percent below its Oct. 23 price of $13.75. Tinker attributes the stock's poor performance not only to its high debt levels but also to the small amount of its stock outstanding.

"People are still looking for liquidity," says Tinker, pointing to TCI's strong performance over the last couple of weeks. During this time, TCI consistently has been among the 10 most actively traded stocks in the over-the-counter market. "One reason that it trades so well is that it's easy to get in and out of," notes Tinker.

That lingering effect from the crash also is evident in the fact that cable stocks still are off between 15 percent and 20 percent from their highs of this past summer. TCI is down about 21 percent from its high of $30.25, American Television & Communications is down 20 percent from its high of $29.625, Comcast is off 15 percent and United Cable 14 percent.

Even so, the cable stocks have outperformed the broader market indexes. As of Jan. 7, the over-the-counter market index was down 23 percent from its high, the Dow Jones Industrial Average was down 25 percent and the S&P 500 was down 22.5 percent. Kaplan attributes that performance to the Storer deal, to the recognition of cable's strong fundamentals, and to a continuing favorable interest rate environment.

For the near-term, most analysts are reluctant to predict which way the market will go, although the drop on Jan. 8 does not bode well for the future. One buy-side analyst, however, predicts that cable stocks still have "a bit more of a run" before the markets test their lows again in another six to eight months. "I would hold them (cable stocks) and not buy, because I'll have a chance to buy them cheaper in the future," he says.

For the longer term, Kaplan is confident cable stocks will continue to outperform the market, primarily because they should perform better in a recessionary environment than most other industries. Interest rates would come down in such a climate, which would further bolster cable values, he notes. "The overriding issue long-term, however," says Kaplan, "is the fundamentals." On that front, "they are still very strong," with assets values continuing to grow at a healthy pace. ■

Higher ratings, cheaper programming pull independent stations out of slump

Things definitely are better, but is market saturated? And what about must-carry?

By Wayne Friedman

For the industry as a whole, 1987 was not a year independent television stations would like to remember. Bankruptcies littered the landscape; national spot advertising revenues creeped along at a measly 4 percent growth rate; and, then, just when the industry thought the worst was over, the must-carry rules were struck down again by a federal court.

But don't think for a moment all stations are singing the blues. Many established indies in big markets are doing just fine, flexing their muscles by airing high-profile, off-network programming. And smaller stations are holding their own, chiefly because program prices have fallen. But each market and station has its own story.

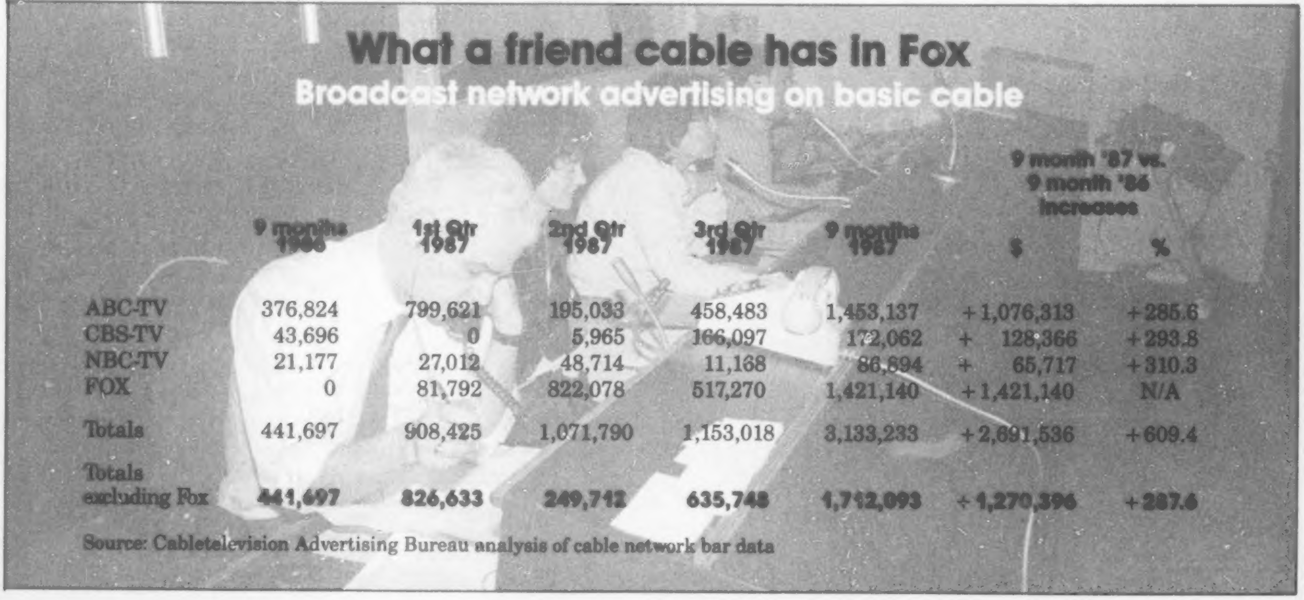
In Chicago, for instance, at WPWR-TV, Program Manager Neal Sabin says that overall it's been a tremendous year for his station. Its sign-on to sign-off performance rose to a Nielsen 2 rating and 4 share in November from a 1 rating, 3 share the year before. In Atlanta, Programming Director Don Hess says WATL-TV's total sign-on to sign-off doubled from a year ago to an 8 share. In fact, he says, two other indies ahead of WATL, WTBS-TV and WGNX-TV, also saw improvements in program performance, gains he says came at the expense of the local affiliates. In Cleveland, WUAB-TV held off the competition to retain its No. 1 ranking as an independent station, sign-on to sign-off. Michael Schuch, vice president and general manager, reports an Arbitron 10 share vs. an 8 share the year before.

Big-ticket programming seems to be at the root of these stations' successes. In general, these independents were able to buy programs like *Family Ties*, *Cheers*, and such first-run stars as *Duck Tales* or *Star Trek: The Next Generation*.

Although popular programming certainly is the key to improved ratings, success or failure at competing stations in the same market help stir the pot. Aiding WUAB's cause, for example, was WOAC-TV. It went into Chapter 11 proceedings, as did the other seven Media Central outlets. Schuch says that in a market such as Cleveland, with four indies, "Whenever you can get rid of your competitors, it helps you." Although WOAC hadn't produced much in the way of ratings, the station's failure helped pull down rocketing program prices. "On the buying side, (WOAC) bought a lot of product, and (that) pushed the price of product up in the market. So, from that point of view, we saw immediate relief." Schuch says Cleveland prices for movie packages, a staple of independents, have plunged up to 50 percent, while sitcoms are off by a "substantial" percentage.

And it isn't only in Cleveland that indies' program prices are falling, pushed down by oversupply and diminished demand. Many stations are so chock full of programming that they have enough to last for the next couple of years. In one extreme case, Harlan Reams, vice president and general manager of KSAS-TV Wichita, Kan., says he has enough to run two independent stations, or 23 years worth of movies and seven years worth of sitcoms.

Deflated program prices have translated into improved financial stability for new or financially-revived independents, such as WQTV in Boston, and its new owner, the Christian Science Monitor. Instead of racing after



What a friend cable has in Fox

Broadcast network advertising on basic cable

	9 months 1986	1st Qtr 1987	2nd Qtr 1987	3rd Qtr 1987	9 months 1987	9 month '87 vs. 9 month '86 increases $	%
ABC-TV	376,824	799,621	195,033	458,483	1,453,137	+1,076,313	+285.6
CBS-TV	43,696	0	5,965	166,097	172,062	+ 128,366	+293.8
NBC-TV	21,177	27,012	48,714	11,168	86,894	+ 65,717	+310.3
FOX	0	81,792	822,078	517,270	1,421,140	+1,421,140	N/A
Totals	441,697	908,425	1,071,790	1,153,018	3,133,233	+2,691,536	+609.4
Totals excluding Fox	**441,697**	**826,633**	**249,712**	**635,748**	**1,712,093**	**+1,270,396**	**+287.6**

Source: Cabletelevision Advertising Bureau analysis of cable network bar data

Pay-Per-View Supply Chart

January

Source

The Believers (1/6) — Orion
MPAA Rating: R — Running Time: 114 mins.
Cast: Martin Sheen, Helen Shaver, Robert Loggia.

Blood Diner (1/16) — Vestron
MPAA Rating: NR — Running Time: 95 mins.
Cast: Carl Crew, Richard Berks, Rodger Dauer.

Campus Man (1/9) — Paramount
MPAA Rating: PG — Running Time: 94 mins.
Cast: John Dye, Steve Lyon, Kim Delaney, Morgan Fairchild.

Dragnet '87 (1/14) — Universal
MPAA Rating: PG-13 — Running Time: 106 mins.
Cast: Dan Aykroyd, Tom Hanks, Christopher Plummer.

Forever Lulu (1/1) — Tri-Star
MPAA Rating: PG — Running Time: 86.07 mins.
Cast: N/A

La Bamba (1/21) — Columbia
MPAA Rating: PG-13 — Running Time: 111 mins.
Cast: Esai Morales, Rosana DeSoto, Elizabeth Pena.

Secret of My Success (1/1) — Universal
MPAA Rating : PG-13 — Running Time: 110 mins.
Cast: Micheal J. Fox, Helen Slater, Richard Jordan.

Shadey (1/1) — Skouras
MPAA Rating: PG-13 — Running Time: 90 mins.
Cast: Katherine Helmond, Patrick MacNee, Tony Sher.

Summer Heat (1/9) — Paramount
MPAA Rating: R — Running Time: 83 mins.
Cast: Lori Singer, Anthony Edwards.

Superman IV: The Quest For Peace (1/13) — Warner Bros.
MPAA Rating : PG — Running Time: 91 mins.
Cast: Christopher Reeve, Margot Kidder, Gene Hackman, Jackie Cooper.

Walk Like A Man (1/1) — MGM/UA
MPAA Rating : PG — Running Time: 86.14 mins.
Cast: Howie Mandel, Christopher Lloyd, Cloris Leachman.

February

Source

Back to the Beach (2/6) — Paramount
MPAA Rating: PG — Running Time: 92 mins.
Cast: Annette Funicello, Frankie Avalon, Lori Loughlin.

The Big Easy (2/24) — HBO Enterprises
MPAA Rating: R — Running Time: 101 mins.
Cast: Dennis Quaid, Ellen Barkin.

Deadline (2/18) — Skouras
MPAA Rating: R — Running Time: 99 mins.
Cast: Christopher Walken.

Dirty Dancing (2/11) — Vestron
MPAA Rating: PG-13 — Running Time: 100 mins.
Cast: Jennifer Grey, Patrick Swayze, Cynthia Rhodes.

Dolls (2/27) — Vestron
MPAA Rating: R — Running Time: 91 mins.
Cast: Stephen Lee, Guy Rolfe, Hilary Mason.

Eat the Peach (2/1) — Skouras
MPAA Rating: NR — Running Time: 95 mins.
Cast: Eamon Morrissey, Stephen Brennan.

The Fourth Protocol (2/1) — Lorimar
MPAA Rating: R — Running Time: 118 mins.,29 secs.
Cast: Micheal Caine, Pierce Brosnan, Joanna Cassidy.

Good Morning Babylon (2/27) — Vestron
MPAA Rating: PG-13 — Running Time: 118 mins.
Cast: Vincent Spano, Charles Dance, Greta Scacchi.

Hot Pursuit (2/6) — Paramount
MPAA Rating: PG-13 — Running Time: 95 mins.
Cast: John Cusack, Robert Loggia, Wendy Gazelle.

Jane and the Lost City (2/25) — HBO Enterprises
MPAA Rating: R — Running Time: * mins.
Cast: Sam Jones, Maud Adams.

Jaws-The Revenge (2/4) — Universal
MPAA Rating: PG-13 — Running Time: 90 mins.
Cast: Lorraine Gary, Lance Guest, Mario Van Peebles.

Kandyland (2/25) — HBO Enterprises
MPAA Rating: R — Running Time: * mins.
Cast: Charles Laulette, Kim Evenson.

No Way Out (2/3) — Orion
MPAA Rating: R — Running Time: 114 mins.
Cast: Kevin Costner, Sean Young, Gene Hackman.

Predator (2/17) — 20th Century-Fox
MPAA Rating: R — Running Time: 107 mins.
Cast: Arnold Schwarzenegger, Carl Weathers, Eltidia Carrillo.

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Satcom 4, tr. 16	VideoCipher II	Movies, how-to's, special events. 24 hours per day, approx. 50 titles per month	Currently serving 16 MSOs nation-wide (40,000 Impulse addressable subscribers)
Private Ticket	July 1985	Standalone	None	Two and one-half hours nightly. One original title, plus up to two licensed films edited for Playboy.	Available in systems serving 185,000 subs (139,000 addressable).
Request Television	November 27, 1985	Galaxy 1, tr. 12	VideoCipher II	Min. of four major motion pictures per week over 14 day cycle, special events	Available in systems serving 3.6 million subs. (2.5 million addressable).
Telstar Channels	June 5, 1986	Spacenet 2, tr.1,3,11,23	VideoCipher II	Channel 1: 2 movies per week,the newest and top-selling. Channel 2: Cult favorites, childrens and top of the charts video store sellers. Channel 3: Additional plays of movies 1 & 2 (frequency channel).	Available in systems serving 120,000 subs (60,000 addressable).
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Channels I & II: First-run movies, special events	Available in systems serving over 3 million subs.

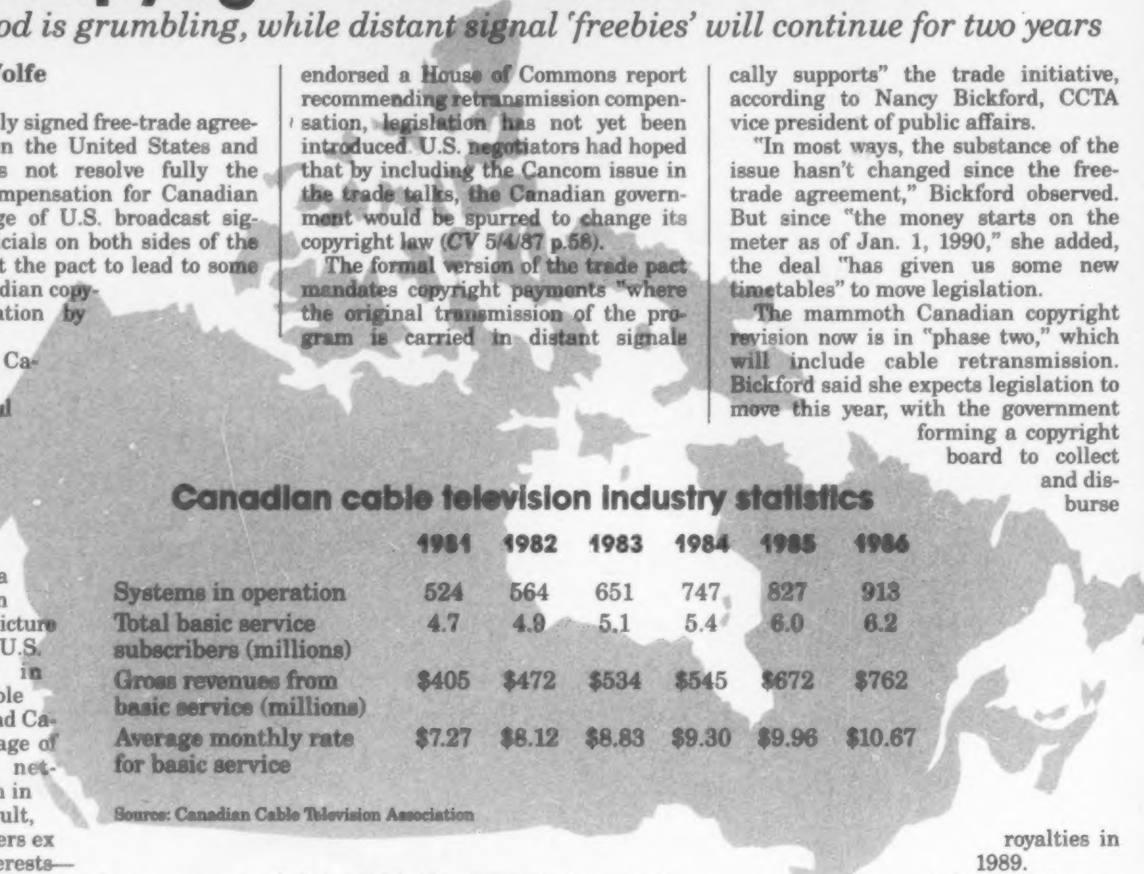
Many complain trade pact leaves U.S. copyright owners still at risk

Hollywood is grumbling, while distant signal 'freebies' will continue for two years

By John Wolfe

The recently signed free-trade agreement between the United States and Canada does not resolve fully the details of compensation for Canadian cable carriage of U.S. broadcast signals, but officials on both sides of the border expect the pact to lead to some form of Canadian copyright legislation by 1990.

But due to Canadian insistence, the "cultural" industries were exempted from most of the agreement, meaning that Canadian limits on U.S. motion picture distribution, U.S. investment in Canadian cable companies and Canadian carriage of U.S. cable networks remain intact. As a result, many observers expect U.S. interests—particularly Hollywood—to press for removal of those restrictions not covered under the free-trade umbrella.



Canadian cable television industry statistics

	1981	1982	1983	1984	1985	1986
Systems in operation	524	564	651	747	827	913
Total basic service subscribers (millions)	4.7	4.9	5.1	5.4	6.0	6.2
Gross revenues from basic service (millions)	$405	$472	$534	$545	$672	$762
Average monthly rate for basic service	$7.27	$8.12	$8.83	$9.30	$9.96	$10.67

Source: Canadian Cable Television Association

Cable copyright has been a sensitive issue between the two countries since 1981, when Cancom, the government-licensed common carrier, began uplinking and distributing four Detroit broadcast stations to cable systems throughout Canada. Under Canada's 64-year-old copyright law, cable systems need not pay royalties for retransmitting broadcast signals.

Currently, nearly all Canadian systems are permitted only to carry a "three-plus-one" package—three network affiliates plus a public broadcasting station—from one of a number of U.S. border cities. Broadcast stations from Buffalo, for example, are retransmitted to over 2 million Canadian cable households.

While the Canadian government has endorsed a House of Commons report recommending retransmission compensation, legislation has not yet been introduced. U.S. negotiators had hoped that by including the Cancom issue in the trade talks, the Canadian government would be spurred to change its copyright law (*CV* 5/4/87 p.58).

The formal version of the trade pact mandates copyright payments "where the original transmission of the program is carried in distant signals intended for free, over-the-air reception by the general public." The agreement also sets a Jan. 1, 1990, deadline for the Canadians to begin collecting and distributing royalties.

But despite U.S. efforts to include a compensation scheme, the trade agreement defers to the Canadian legislative process to develop by the 1990 deadline a specific mechanism for determining copyright payments. "We're already committed up here, in the long-term, to bringing in a retransmission right," one Canadian observer said. "That was already laid out before the free-trade agreement was set up."

Canadian cable officials now expect the goverment to pattern their copyright law on the U.S. cable compulsory license. And although the Canadian Cable Television Association initially had lobbyied against retransmission compensation, it now "enthusiastically supports" the trade initiative, according to Nancy Bickford, CCTA vice president of public affairs.

"In most ways, the substance of the issue hasn't changed since the free-trade agreement," Bickford observed. But since "the money starts on the meter as of Jan. 1, 1990," she added, the deal "has given us some new timetables" to move legislation.

The mammoth Canadian copyright revision now is in "phase two," which will include cable retransmission. Bickford said she expects legislation to move this year, with the government forming a copyright board to collect and disburse royalties in 1989.

Like the U.S. copyright system, Canadian operators would be responsible for copyright payments for distant signals. Cancom would pay royalties only for the 4,600 subscribers to its nascent direct-to-home service, which Cancom expects to grow during the next couple of years, according to Susan Cornell, Cancom vice president of regulatory and corporate affairs.

The Motion Picture Association of America, whose members stand to benefit the most from Canadian royalties, has estimated that cable copyright will result in about $10 million per year for U.S. interests. A Canadian House of Commons report puts that figure at roughly $11 million. But Bickford noted that because specific legislation has not yet been introduced, "we could be talking about $8 million or $80 million."

For Canadian operators, the key question will be how the legislation will define "distant" broadcast signals. Some U.S. officials, for example, have argued that any U.S. signal is distant for copyright purposes. Canadians, meanwhile, have speculated that local signals could include those that reach cable headends off-air.

The definition is crucial, because according to some estimates, nearly two-thirds of the Canadian population lives in the southern portion of the country, within range of at least one U.S. border signal. One Canadian official said the government likely will "come up with a definition with one eye on the American system and one on Canadian reality."

The agreement also called for the establishment of a "joint advisory committee comprised of government and private sector experts" which will review retransmission issues and report to both governments within 12 months.

MPAA, which had lobbied intensely for Canadian copyright liability, would not comment on the free-trade pact. But because the agreement specifically did not apply to the so-called "cultural industries," many issues of importance to the motion picture, cable and broadcasting industries were left unresolved.

The Canadians would not include entertainment in the trade talks largely because of concern for the nation's "cultural sovereignty," according to one source. For example, Canada refused to permit more foreign firms to distribute motion pictures in the country because "we would simply be flooded" by U.S. film product, the source explained.

Additional protectionist measures also were left intact by the trade agreement. Canadian cable operators still will not be permitted to carry any U.S. satellite programming service that directly competes with a Canadian service. While operators recently received permission from the Canadian Radio-Television Commission to carry CNN, FNN, The Weather Channel, C-SPAN and other U.S. services, the systems still cannot offer HBO, Showtime, ESPN or MTV to subscribers.

The free-trade zone also will not extend to U.S. investment in Canadian cable companies. Under Canadian law, all cable and broadcast companies must have 80 percent Canadian ownership.

U.S. broadcasters, too, were disappointed with the final trade pact because C-58, a controversial law which denies tax benefits for Canadian companies which advertise on U.S. television stations, was not repealed. However, the agreement did state that C-58 no longer applies to magazine and newspaper advertising.

The U.S. Senate is expected to ratify the trade agreement later this spring, despite anticipated opposition from some legislators concerned with the cultural industries exemption. However, a clause in the agreement permits either country to take actions against areas not covered by the pact.

Such actions are "not unlikely," according to an aide to Sen. Pete Wilson, R-Calif. Wilson actively has urged Canada to loosen the barriers to entry for the entertainment industries, and has suggested retaliatory legislation which would prohibit Canadian ownership of U.S. cable systems.

That proposal was in response to both the law on foreign ownership of Canadian media companies and to the delays in Canadian copyright reform. Apparently, Wilson's concerns about broadcast retransmissions remain.

"This agreement only contains a promise" to institute copyright liability, the Wilson aide explained. "Basically, we've got two more years of freebies for the Canadians, and that's a problem." The restrictions on U.S. media ownership and motion picture distribution also remain troublesome, the aide said.

The "unwillingness" of the Canadians to deal with cultural issues may mean that "we've got to take some type of compensatory action" against protectionist laws, the aide continued. Canadian ownership of U.S. systems may be "at risk," he suggested, "even if the retransmission issue is settled." ■

FBI raids signal greater attention on piracy problem

Accelerating efforts to thwart satellite piracy, federal law enforcement officials staged separate raids late last month on two satellite dish dealers suspected of modifying VideoCipher II TVRO decoders to illegally receive scrambled programming.

Concurrent with the stepped-up enforcement activities, the Satellite Broadcasting and Communications Association and General Instrument are finalizing a multi-million-dollar public awareness campaign to combat piracy. The effort will debut Feb. 1.

On Dec. 22, the Federal Bureau of Investigation, assisted by the Hannibal Police Department and the Missouri State Police, raided Beach Craft Inc., a Hannibal TVRO dealer, and seized descrambler modules, parts, programs, business documents and customer records, said GI.

Search warrants identified Harry Daily Jr. as owner of Beach Craft, and alleged the dealer has been involved in manufacturing, modifying, marketing and distributing illegally modified VideoCipher II decoders. The seized information will be turned over to the U.S. attorney's office for review.

One day later, U.S. Customs Service agents, with help from the U.S. Bureau of Alcohol, Tobacco and Firearms and the Alabama Bureau of Investigation, seized similar materials from Tri-State Satellite Inc. of Brundidge, Ala. Benny Herring owns Tri-State, according to the search warrants.

The raids came after a series of meetings coordinated by SBCA aimed at convincing federal law enforcement officials to act on piracy. "The great thing is that we've gotten the FBI involved," one SBCA official claimed.

GI, under fire from TVRO industry officials for a perceived lack of responsiveness to the theft of service problem, said that in addition to increased criminal prosecution, civil litigation against pirates also will intensify in 1988. On Dec. 28, GI, HBO and Showtime asked the U.S. District Court in Miami for a summary judgment, permanent injunction and $340,000 in damages against alleged TVRO pirates Shaun Kenny, Bob Cooper and Network Productions.

The federal civil action began when the companies filed suit in March 1987, claiming the piracy activities of Kenny, Cooper and Network Productions violated the theft-of-service provisions of the 1984 Cable Act.

Meanwhile, GI and SBCA are readying an industry-wide anti-piracy campaign aimed at both dealers and the general public, Walker said. That effort will include dealer advice kits on combatting piracy, awareness ads and direct mail pieces.

—John Wolfe

Industry Growth

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	72,460,000	42,725,000	48	26,022,000	29
1986	87,800,000	69,632,000	41,772,000	47	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Cable barometer

Television households (TVHH)	87,800,000
Homes passed by cable (HP)	69,632,000
Percent of TVHH passed by cable	79.3%
Basic cable subs	41,772,000
Percent of TVHH with basic cable	47.5%
Percent of HP with basic cable	59.9%
Pay cable subs	24,101,000
Percent of TVHH with pay cable	27.4%
Percent of HP with pay cable	34.6%
Percent of basic subs with pay cable	57.6%

Satellite Lineup

Satcom III-R (RCA Americom)	**Transponder**
Arts & Entertainment	24
BET	20
Cable Radio Network	4
Cable Value Network	12
Cinemax (West)	23
ESPN (Blackout)	7
Financial News Network	4
Genesis Storytime	3
HBO (West)	13
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
National Jewish Television	18
QVC Network	8
Reuter Monitor Service	18
Showtime (West)	10
Tempo Sound	6
Tempo Television	6
Tempo Text	6
The Travel Channel	16
Trinity Broadcasting Network	3
TV Decisions	24
USA Network (West)	9

Satcom IV (RCA Americom)	**Transponder**
Alternate View Network	10
American Movie Classics	10
America's Value Network	5
Biznet	6
Bravo	2
The Fashion Channel	14
Gospel Music Network	3
Hit Video USA	18
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Liberty Broadcasting Network	7
Madison Square Garden Network	6
The Motivation Network	3
Movietime	17
National Black Network	19
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	24
Prime Ticket	20
The Silent Network	23V
SportsChannel-New England	23
SportsVision	9
WPIX—New York	19

Westar III (Western Union)	**Transponder**
CNN	5

Westar IV (Western Union)	**Transponder**
Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
Consumer Discount Network	24
National Christian Network	2
International Television Network	10D
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2

Westar V (Western Union)	**Transponder**
Fantasy Unrestricted Network (FUN)	24
FUN Weekend Pay-per-view	24
Moody Broadcasting Network	7D
Pro-Am Sports System (PASS)	8
The University Network	2
Zephyr Weather Information Service	7D

Telstar 303 (AT&T)	**Transponder**
American Exxxtasy	19
KTVT (Ft.Worth)	20

Galaxy I (Hughes)	**Transponder**
CBN Cable Network	11
Cinemax (East)	19
CNN	7
Country Music Television	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
Electra	18
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Headline News	8
The Inspirational Network	17
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
Request Television	12
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
SIN	6
Tempo Text	16
USA Network (East, Central)	21
Video Mall Network	22
WGN	3
WOR-TV	15
WTBS	18

Galaxy III (Hughes)	**Transponder**
C-SPAN	24V
C-SPAN II	14V
Eternal Word Television Network	10
National Shopping Club	23
The Meadowlands Racing Network	17
MTV Music Television	17
Nick At Night	19
Nickelodeon	19
Sky Merchant	11
Video Hits One (VH1)	15
Viewer's Choice 1+2	21,18

Spacenet I (GTE)	**Transponder**
ACTS	15
SelecTV	13

Note: A company name in parentheses following a service or network designates the transponder owner.
Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,200,000	(12/87)
2.	American Television and Communications Corp.	3,500,000	(11/87)
3.	Continental Cablevision	1,517,000	(10/87)
4.	Storer Cable Communications	1,441,000	(11/87)
5.	Cox Cable Communications	1,406,922	(9/87)
6.	Warner Cable Communications Inc.	1,405,349	(12/87)
7.	Comcast	1,200,000	(10/87)
8.	United Cable	1,134,336	(10/87)
9.	Newhouse Broadcasting	1,060,759	(12/87)
10.	Viacom Cablevision	1,047,000	(11/87)
11.	Heritage Communications Inc.	1,030,640	(10/87)
12.	Cablevision Systems Corp.	1,012,647	(1/88)
13.	Jones Intercable	972,495	(11/87)
14.	Times Mirror Cable Television Inc.	912,607	(11/87)
15.	Sammons Communications Inc.	821,033	(9/87)
16.	UA Cablesystems Corp.	780,593	(10/87)
17.	Paragon Communications	650,000	(10/87)
18.	Cooke Cablevision	618,900	(12/87)
19.	Century Communications Corp.	600,000	(12/86)
20.	Cablevision Industries	589,966	(11/87)
21.	Daniels & Associates	573,658	(10/87)
22.	Rogers Cablesystems Inc.	529,708	(12/87)
23.	American Cablesystems Corp.	529,625	(11/87)
24.	Telecable Corp.	524,510	(11/87)
25.	Centel Cable	510,049	(10/87)
26.	Adelphia Communications	451,736	(10/87)
27.	Scripps-Howard	400,000	(10/87)
28.	Wometco Cable TV Inc.	395,679	(12/87)
29.	Falcon Cable Comm.	379,000	(2/87)
30.	Post-Newsweek	374,275	(9/87)
31.	Prime Cable Corp.	348,491	(11/87)
32.	TCA Group	335,023	(10/87)
33.	Multimedia Cablevision	302,280	(11/87)
34.	Tele-Media	297,567	(10/87)
35.	Maclean Hunter Cable TV Ltd.	296,969	(11/87)
36.	Colony Communications Inc.	274,986	(10/87)
37.	Rifkin & Associates	260,000	(10/87)
38.	Lenfest Group	259,240	(11/87)
39.	Western Communications	249,096	(12/87)
40.	TKR Cable Co.	235,204	(11/87)
41.	Communications Service Inc	210,000	(12/86)
42.	Service Electric Cable TV Inc.	205,000	(11/87)
43.	TCI-Taft	193,806	(11/87)
44.	Hauser Communications Inc.	182,964	(10/87)
45.	Cencom Cable	175,175	(8/87)
46.	Harron Communications	157,051	(11/87)
47.	Greater Media	154,305	(12/87)
48.	Sutton Capital Corp.	152,053	(11/87)
49.	Media General Inc.	151,211	(7/87)
50.	First Carolina Communications Inc.	146,396	(10/87)
51.	Palmer Communications	143,101	(10/87)
52.	Armstrong Utilities	141,969	(11/87)
53.	Essex Communications Corp.	136,540	(11/87)
54.	Marcus Communications	135,766	(11/87)
55.	U.S. Cable Corp.	135,287	(11/87)
56.	Cable Systems USA	133,000	(9/87)
57.	Televents Inc.	128,918	(10/87)
58.	Summit Communications	122,969	(10/87)
59.	Simmons Communications	114,816	(10/87)
60.	Columbia International	114,232	(9/87)
61.	Northland Communications	114,025	(12/87)
62.	Bresnan Communications Co.	113,783	(11/87)
63.	King Videocable	112,829	(10/87)
64.	Sonic Communications	111,585	(8/87)
65.	Harte-Hanks Communications	110,549	(10/87)
66.	Multi-Channel TV Cable Inc.	110,134	(9/87)
67.	Booth Communications	106,779	(10/87)
68.	Scott Cable Communications	106,277	(7/87)
69.	Star Cablevision Group	103,733	(11/87)
70.	M.L. Media Partners	99,101	(10/87)
71.	Susquehanna Broadcasting	96,024	(10/87)
72.	James Communications	92,184	(8/87)
73.	McDonald Group	90,079	(8/84)
74.	Omega Communications	90,000	(11/87)
75.	WEHCO Video	88,114	(10/87)
76.	Coaxial Communications	84,859	(9/87)
77.	United Video Management	84,034	(9/87)
78.	Midcontinent Cable Systems Co.	83,331	(11/87)
79.	Pencor Services	83,281	(8/87)
80.	C-4 Media Corp.	69,482	(10/87)
81.	Masada Corp.	69,120	(10/87)
82.	Enstar Communications	68,736	(12/87)
83.	Selkirk Communications	68,000	(10/87)
84.	Chambers Communications Corp.	60,798	(11/87)
85.	Mountain Cable Co.	59,336	(9/87)
86.	North American Comm. Corp.	56,739	(11/87)
87.	Insight Communications	55,018	(10/87)
88.	Cardinal Communications	54,800	(11/87)
89.	Hearst Communications of California	52,892	(11/87)
90.	State Cable TV	50,886	(10/87)
91.	Helicon Corp.	50,000	(12/87)
92.	Galaxy Cablevision	49,006	(9/87)
93.	Commonwealth Cable Systems	48,020	(11/87)
94.	Dowden Communications	47,386	(10/87)
95.	Joseph Gans Cable TV	46,532	(11/86)
96.	New England Cablevision	46,296	(10/87)
97.	Prestige Cable TV, Inc.	44,558	(11/87)
98.	Douglas Communications	43,000	(12/87)
99.	Tidel Communications	40,230	(10/87)
100.	Acton Corp.	38,560	(10/87)

Subscriber counts are provided by MSOs and systems to *CableVision* magazine. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1109, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	San Diego, CA	Cox Cable	287,846	(9/87)
2.	Woodbury (Long Island), NY	Cablevision Systems Corp.	286,284	(10/87)
3.	Manhattan, NY	ATC	233,200	(6/87)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	195,644	(11/87)
6.	Puget Sound, WA	Viacom	193,000	(11/87)
7.	Houston, TX	Warner Cable	183,432	(12/87)
8.	Honolulu, HI	ATC	182,500	(6/87)
9.	Phoenix, AZ	Times Mirror	182,064	(11/87)
10.	Hartford/Plainville/Vernon, CT	United Cable	166,828	(10/87)
11.	Wayne, NJ	UA Cablesystems	158,104	(10/87)
12.	Cincinnati, OH	Warner	157,332	(12/87)
13.	Louisville/Jeff. Co., KY	Storer Communications	157,300	(11/87)
14.	Englewood, CO	United	155,355	(10/87)
15.	Hampton Roads, VA	Cox Cable	150,103	(9/87)
16.	Tulsa, OK	United	149,797	(10/87)
17.	Atlanta, GA	Prime Cable Corp.	147,161	(11/87)
18.	Fairfax, VA	Media General	147,149	(11/87)
19.	Rochester, NY	ATC	145,300	(6/87)
20.	Cherry Hills, NJ	NYT	145,075	(7/87)
21.	Orlando,FL	ATC	143,500	(6/87)
22.	Jacksonville, FL	Continental Cablevision	142,353	(10/87)
23.	Kansas City, MO	ATC	130,000	(6/87)
24.	Baltimore County, MD	Comcast	130,000	(10/87)
25.	Buffalo, NY	Adelphia Communications	128,105	(4/87)
26.	San Jose/Campbell, CA	Gill Cable	128,000	(11/87)
27.	Erie County, NY	Adelphia	127,160	(3/87)
28.	Manhattan, NY	Paragon Cable	126,000	(9/87)
29.	Seattle, WA	Tele-Communications Inc.	125,000	(12/86)
30.	Memphis/W. Memphis, TN	ATC	120,400	(6/87)
31.	Long Island, NY	Viacom	119,000	(11/87)
32.	Charlotte, NC	ATC	118,791	(3/87)
33.	San Francisco, CA	Viacom	116,000	(11/87)
34.	Pompano, FL	American Cablesystems	111,422	(11/87)
35.	Austin, TX	ATC	110,900	(6/87)
36.	St. Louis Co., MO	Cencom Cable	109,732	(8/87)
37.	Warren, NJ	TKR	107,511	(11/87)
38.	San Diego, CA	ATC	107,400	(6/87)
39.	Toledo, OH	Blade Communications	105,470	(10/87)
40.	San Juan, PR	ML Media Partners	104,823	(11/86)
41.	Dallas, TX	Heritage	100,713	(8/87)
42.	Southeast Michigan	Comcast	100,031	(10/87)
43.	Jefferson Parish/Kenner, LA	Cox Cable	98,773	(9/87)
44.	Wilmington, DE	Heritage	97,954	(10/87)
45.	Grand Rapids, MI	UA Cablesystems	96,817	(10/87)
46.	Escondido, CA	Times Mirror	94,345	(11/87)
47.	Pinellas County, FL	Vision Cable	93,920	(9/87)
48.	Dade/Broward, FL	Storer	93,700	(11/87)
49.	Indianapolis, IN	Comcast	92,000	(10/87)
50.	Tacoma, WA	Viacom	91,000	(11/87)
51.	Richmond, VA	Continental	89,839	(11/87)
52.	Raleigh/Durham, N.C.	ATC	88,196	(3/87)
53.	Wichita, KS	Multimedia Cablevision	86,448	(11/87)
54.	Worcester Complex, MA	Greater Media	85,083	(12/87)
55.	Pittsburgh, PA	TCI	85,000	(12/86)
56.	Nashville, TN	Viacom	85,000	(11/87)
57.	Naples, FL	Palmer Communications	84,307	(10/87)
58.	Boston, MA	Cablevision Co.	83,942	(10/87)
59.	Orange County, CA	Times Mirror	82,637	(11/87)
60.	Greensboro, NC	ATC	82,000	(11/87)
61.	Harrisburg, PA	Sammons Communications	80,647	(9/87)
62.	Las Vegas, NV	Prime	80,612	(11/87)
63.	Milwaukee, WI	Warner	80,000	(9/87)
64.	Dover, Morristown, NJ	Sammons	79,361	(9/87)
65.	Baton Rouge, LA	Daniels & Assocs.	78,669	(10/87)
66.	Akron, OH	Warner	77,202	(12/87)
67.	Columbus, OH	Warner	75,774	(12/87)
68.	New Orleans, LA	Cox Cable	75,581	(9/87)
69.	Oakland County, MI	United	75,226	(10/87)
70.	Allentown, PA	Service Electric	75,000	(9/87)
71.	Flint, MI	Comcast	75,000	(10/87)
72.	South Bend, IN	Heritage	74,492	(8/87)
73.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
74.	Medford Complex (Boston Suburbs), MA	Warner	74,043	(12/87)
75.	Cleveland Heights, OH	Viacom	74,000	(11/87)
76.	Santa Monica, CA	Century Communications	74,000	(5/86)
77.	Providence/Warwick, RI	Times Mirror	73,554	(11/87)
78.	Cook County, IL	Continental	72,645	(10/87)
79.	South Texas, TX	Heritage	72,638	(10/87)
80.	Contra Costa Co. CA	Televents	72,252	(10/87)
81.	Ocean County, NJ	Adelphia	72,110	(10/87)
82.	Omaha, NE	Cox Cable	71,340	(9/87)
83.	Fayetteville, NC	ATC	70,136	(3/87)
84.	Des Moines, IA	Heritage	69,661	(10/87)
85.	Hillsborough, FL	Paragon	69,000	(9/87)
86.	St. Petersburg, FL	Paragon	69,000	(9/87)
87.	Little Rock, AR	Storer	68,800	(11/87)
88.	Lower Fairfield Co., CT	Cablevision Co.	68,442	(10/87)
89.	Indianapolis,IN	ATC	67,600	(6/87)
90.	Greater Bridgeport, CT	Cablevision Co.	67,570	(10/87)
91.	Oklahoma City, OK	Cox Cable	67,489	(9/87)
92.	New Haven, CT	Storer	67,100	(11/87)
93.	Syracuse (suburbs), NY	NewChannels Corp.	66,952	(12/87)
94.	Lincoln, RI	Heritage	66,894	(10/87)
95.	Birmingham, AL	ATC	66,254	(3/87)
96.	El Paso, TX	Paragon	66,000	(9/87)
97.	Winston-Salem, N.C.	Summit Communications	65,848	(10/87)
98.	Monterey, CA	Western Communications	64,967	(12/87)
99.	Charleston, S.C.	Storer	63,800	(11/87)
100.	Sarasota, FL	Storer	63,200	(11/87)

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FEBRUARY 1, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

A NEW DAY AT DANIELS

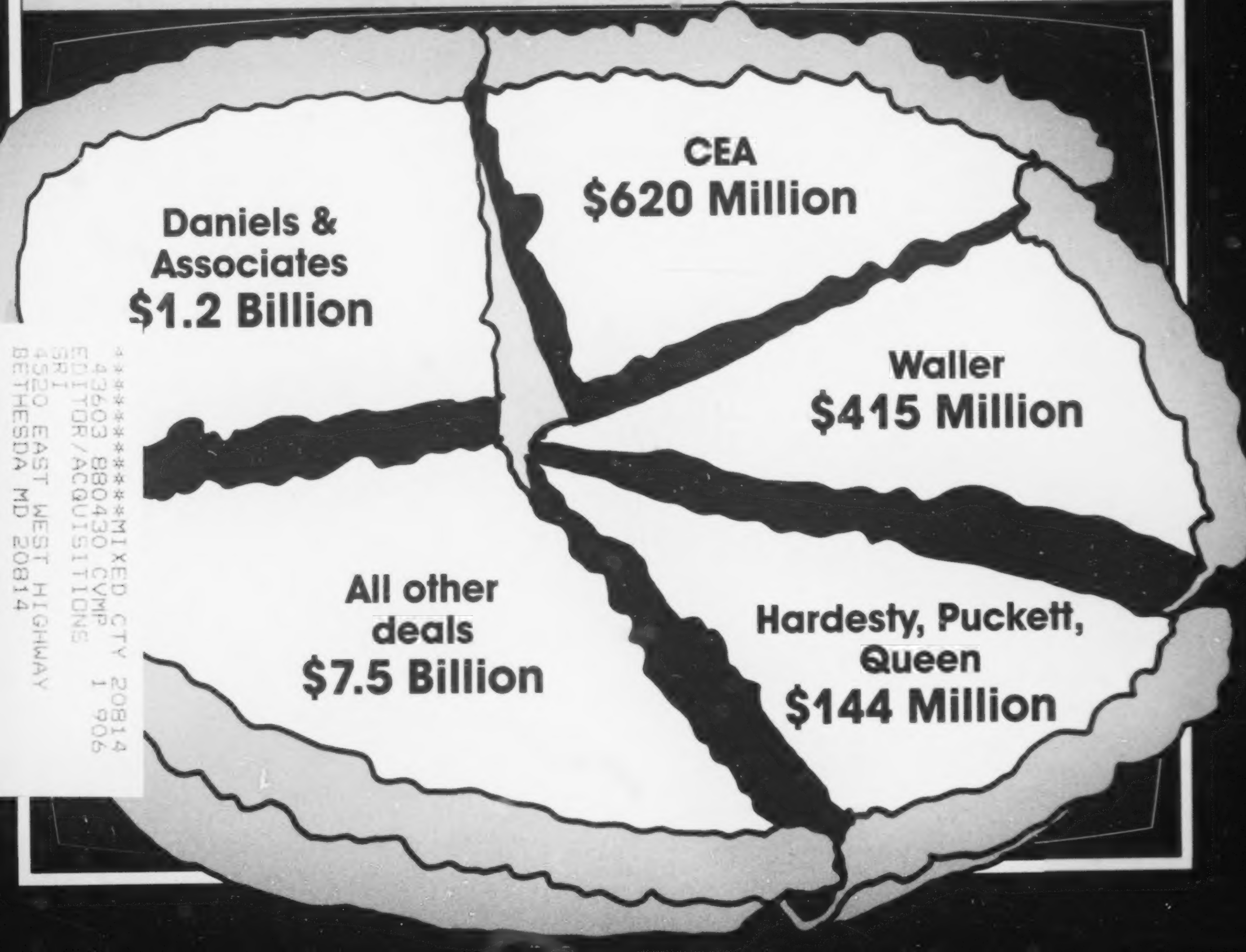
Z CHANNEL'S SPORTY NEW LOOK

PEACE BREAKS OUT WITH HOLLYWOOD

BASICS GET A CHANCE FOR BETTER FILMS

CABLE AVAILS ITSELF OF THE POLITICIANS

$10 BILLION IN CABLE DEALS: WHO GOT THEM AND WHY



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FRONT LINE

Z Channel's new game 12
It's always been known for innovative and esoteric programming, but now the Z Channel is playing a new game—baseball. Home games of the Dodgers and Angels will be added to the Southern California service this spring, which puzzles some.

The peace talks 14
The war of words between Hollywood and cable may finally be coming to an end now that executives in both camps see that the squabble may not be too good for business. A summit of sorts is held in New York, and a treaty may follow.

Must-carry, the bill 14
Just as everyone expected, Congress is getting involved with the must-carry issue again, with legislation promised linking carriage of local stations to the compulsory license.

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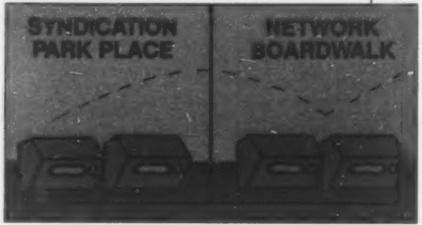
FORUM

The other side of overbuilds 15
Down on the ground a potential overbuild looks like a scary thing, but from the altitude of Capitol Hill it appears to be healthy competition, writes attorney and Washington consultant Chip Shooshan. And how does this square with the industry's traditional posture favoring open entry?

PROGRAMMING

Getting films out of jail 18
The sequence of movie exhibition windows once worked pretty smoothly, except for syndication, where films languished for years. But the studios now have solved that with "common-end times," a development that also offers cable networks a shot at more and better quality product.



MANAGEMENT

A new day at Daniels 24
Perhaps more so than other segments of the cable industry, the brokerage industry has undergone tremendous change in recent years. Daniels & Associates, which practically invented the business, is adapting to stay abreast of the times and ahead of some worthy competitors.

INTERNATIONAL

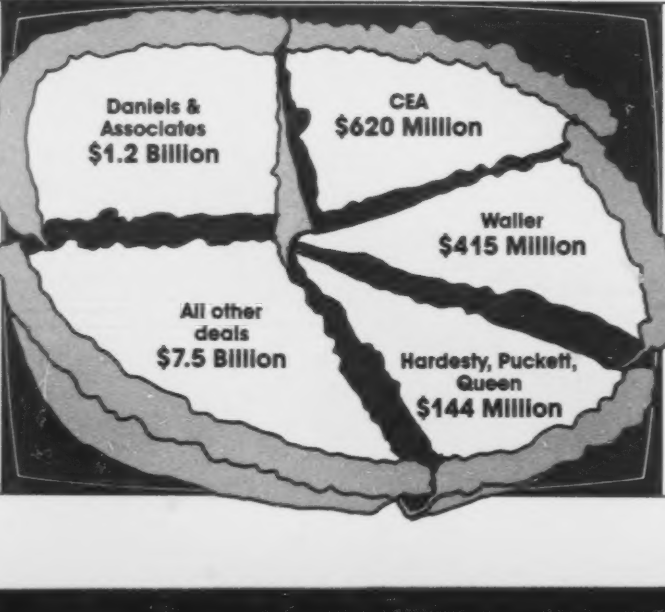
Profit potential in Europe 27
In the concluding segment of our long look at developments in European television, Americans who are in the game on the Continent size up their experiences to date and map out future strategies. Their advice is to be patient.

LAW AND REGULATION

Showdown on M Street 30
It seems like an unfair fight: The Reagan Administration pitted against a lone federal judge over the issue of telco provision of information services. And now the FCC is being asked to play referee in a battle with major implications for the cable industry.

ADVERTISING

Selling cable to politicians 31
Between $300 million and $500 million will be spent this election year on political advertising, and cable has a shot at a healthy percentage of the take. To improve its chances, industry leaders are selling cable to campaign managers, with impressive results.



COVER STORY

Doing the deals 32
To paraphrase the late Everett Dirkson, a billion here and a billion there and pretty soon you have the cable brokerage business. In our annual look at cable transactions, we find that about 300 systems changed hands in 1987 with a total value of about $10 billion. Daniels is atop the heap, but CEA is close behind.

BETWEEN THE LINES

Looking beyond theory in the overbuild issue

The man on the phone said he was the general manager of a system that had been targeted for an overbuild by a larger company that had several systems in the region, including one just down the road from him. He had been reading articles in *CableVision* and other publications about the subject of overbuilds, and what he wanted to know was: Isn't there some way I can stop this from happening?

He said that even though his was a small system, with limited resources, that he had been active in his community. The system supported the major local charity, was a booster of the Lions Club, and had good relations with the city government. His rates were reasonable, as was the number of channels offered, and he said he worked hard to maintain reliable service. But wasn't there some legal trick he could use to keep the other guy out?

There was a real fear in his voice. He said he was sure that this looming situation could cost him his job.

This conversation was somewhat unsettling because it was so personal. Most discussions of overbuilds are in the abstract. Industry debates on the subject usually are restricted to the theoretical implications of overbuilds. But this man, with a family to support, felt that his paycheck was on the line.

How many supermarkets are there in your town? he was asked. Three, he said. How many department stores? Two. And don't they all compete with each other, offering sales and undercutting each other on price? Sure, he said, but that's different.

Well, maybe it is and maybe it isn't. Competition, after all, is as all-American as motherhood and apple pie. And the Cable Act does say that a city may grant one or more franchises. Yeah, he said, I'll tell that to the wife.

The makings of a spirited debate on the subject of overbuilds has sprung up on our Forum pages. Last month attorney Richard Berman laid out a possible legal and public policy defense, arguing that overbuilds are bad for consumers. In this issue, Chip Shooshan, well known in Washington circles and a former chief counsel of the House communications subcommittee, offers a rebuttal. He contends that by opposing overbuilds the cable industry is abandoning the traditional public policy positions that have served it so well. An industry that once was willing to take on all comers now is attempting to stifle competition, he writes.

This sort of exchange is healthy and should continue. Others with views on the subject are invited to share them. If you just want to talk, call me at 212-213-3110.

But as we go further down the road on this subject, let's not forget that there are thousands of people whose interest in this subject is more than philosophical.

All of us here at *CableVision* want to extend congratulations to Chairman John Hendricks, President Ruth Otte and the many other fine people at The Discovery Channel for being honored with the Golden ACE award. The members of the National Academy of Cable Programming had 10 worthy nominees from which to select, but Discovery's presentation of *Russia: Live from the Inside* series was something special.

We also want to second the Academy's selection of Ralph Baruch as the first recipient of its Governors' Award. A major figure in the communications industry for nearly four decades, Baruch just last month accepted a new challenge as a fellow at the Gannett Center at Columbia University. He will lecture on the links between government regulation and commercial development of new communication technologies.

And to all who walk away with ACEs this year, we say congratulations.

—Steve Tuttle
Editor and Associate Publisher

CableVision

William McGorry
Publisher
Steve Tuttle
Editor and Associate Publisher

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February 1, 1988
Volume 12, Number 36

ITCI

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. Feb. 1, 1988, Volume 12, Number 36. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

Film product comparison-February

Film	Pay Networks					Distributor
48 Hrs.	(HBO)	*ST	(TMC)			Paramount
9 1/2 Weeks		(ST)	TMC			TBS
Act of Violence					MAX	Paramount
Adventures of Mark Twain				DIS		Clubhouse Pictures
Adventures of Prof. Beetoven	HBO					Oriolo
Adventures of the Action Hunter			TMC			Troma
Adventures of the American Rabbit				DIS		Clubhouse
Advise and Consent					MAX	Hal Roach
Airplane!	(HBO)	(ST)			MAX	Paramount
Aliens	(HBO)	ST	(TMC)		(MAX)	20th Century-Fox
All The Brothers Were Valiant		(ST)		DIS		MGM/UA
Amadeus		ST				Paramount
American Anthem	(HBO)				*MAX	Columbia
American Justice	(HBO)				MAX	Movie Store
An American in Paris			(TMC)	*DIS	(MAX)	MGM/UA
And The Children Shall Lead				DIS		Wonderworks
The Annihilators					MAX	New World
Anything Goes			TMC			Paramount
Ape and Super-Ape		ST				Coe Film
Appointment in Berlin					MAX	Columbia
Aprenticeship of Duddy Karavi		ST				Paramount
Assassination		ST	*TMC			Cannon
Asterix and Caesar's Surprise				DIS		Gaumont
At Sword's Point				DIS		RKO
Augustine					MAX	Pandora
The Aurora Encounter					MAX	New World
The Aviator			TMC		(MAX)	MGM/UA
Back to School	(HBO)	(ST)	*TMC		MAX	Orion
Baja Oklahoma	HBO					HBO Pictures
The Barefoot Executive				DIS		Disney
The Barretts of Wimpole Street		*ST	(TMC)	(DIS)		MGM/UA
Basic Training		(ST)			*MAX	Movie Store
The Bedford Incident					MAX	Columbia
Bedroom Window			TMC			DEG
The Beniker Gang	*HBO					Lorimar
The Best of Times	(HBO)		*TMC		(MAX)	Universal
The Best		ST				Satori
Betrayed		(ST)	(TMC)	DIS		MGM/UA
Big Trouble in Little China	HBO	(ST)	TMC		(MAX)	20th Century-Fox
Bill Cosby "Himself"	(HBO)	(ST)			MAX	20th Century-Fox
A Billion For Boris				*DIS		Film Gallery
Black Widow	HBO	ST	TMC			20th Century-Fox
Blake Edwards' "A Fine Mess"	HBO				(MAX)	Columbia
Blake Edwards' "That's Life"					*MAX	Columbia
Blood Brothers	HBO					Warner Bros.
Booker				DIS		New Images
Born Yesterday				(DIS)	MAX	Columbia
A Boy Called Nuthin'				*DIS		Disney
The Brave Little Toaster				DIS		Hyperion-Kushner-Locke
Brazil		(ST)	TMC		(MAX)	Universal
Brothers By Choice		ST		(DIS)		Atlantis
The Candidate	HBO					Warner Bros.
Care Bears II	(HBO)			*DIS		Columbia Pay TV
The Carey Treatment		(ST)	TMC			MGM/UA
The Cat From Outer Space				*DIS		Disney
Catch-22			*TMC		(MAX)	Paramount
Cattle King		ST				MGM/UA
Charlotte Forten's Mission				DIS		Pride Ent.
The China Syndrome	(HBO)				MAX	Columbia
Class of '44					MAX	Warner Bros.
Class of Nuke'em High		*ST	(TMC)			Troma
Club Paradise	(HBO)				*MAX	Warner Bros.
Clue		ST	*TMC			Paramount
Cocaine Wars					MAX	Concorde Pics.
Code Name: Emerald			(TMC)		*MAX	MGM/UA
The Concrete Jungle		(ST)	*TMC			Lorimar
Condorman				DIS		Disney
Conquest of Cochise					MAX	Columbia
Counter-Attack					MAX	Columbia
Crimes of the Heart		(ST)	*TMC			DEG
Critical Condition		*ST	(TMC)			Paramount
Crocodile Dundee		ST	TMC			Paramount
Crystal Heart					MAX	New World
Dead & Buried	HBO					Film Finance
Dead of Winter	HBO					MGM/UA
Dead Reckoning					MAX	Columbia
Dead-End Drive-In	HBO				(MAX)	New World
Death of a Salesman		(ST)	TMC			ICM
Desert Hearts			TMC			Goldwyn
The Desparadoes					MAX	Columbia
Detective School Dropouts		ST	(TMC)			Cannon
Diamond Head					MAX	Columbia
Don't Make Waves		(ST)	TMC			MGM/UA
Dot and the Whale				*DIS		Cori Films
Dream Lover	(HBO)		*TMC		(MAX)	MGM/UA
Duet For One		ST				Cannon
East of Eden					MAX	Warner Bros.
Echo Park		(ST)	*TMC			Atlantic
El Dorado			*TMC		(MAX)	Paramount
The Electric Grandmother				*DIS		LCA
The Elmchanted Forest	(HBO)	ST				Video Media
Emmanuelle 4		ST	(TMC)			MGM/UA
Enemy Mine	HBO	ST	TMC		(MAX)	20th Century-Fox
Ernest Goes to Camp		ST	TMC			Touchstone
Except For Me and Thee		*ST		(DIS)		Lorimar
Eye of the Tiger	HBO					Scotti Bros.
Eyes of the Amaryllis				*DIS		Coe Films
Far Pavillions Part Three	HBO					Gold Crest
Far Pavillion Part Two	HBO					Gold Crest
Far Pavillions Part One	HBO					Gold Crest
Fast Forward	(HBO)				MAX	Columbia
Fast Times at Ridgemont High	HBO	(ST)	(TMC)		(MAX)	Universal
Father's Little Dividend		ST				MGM/UA
Fever Pitch	*HBO					MGM/UA
Finian's Rainbow	HBO				(MAX)	Warner Bros.
The First Nudie Musical		ST				Northal
First Steps					MAX	Televentures
Fort TI					MAX	Columbia
The Fourth Wish		ST	(TMC)			MGM/UA
In the Good Old Summertime				*DIS	(MAX)	MGM/UA
Instant Justice					MAX	J. Phillips
Invaders From Mars			TMC			Cannon
It Came From Hollywood			TMC			Paramount
James Joyce's Women		ST				Universal
Josie	HBO					Orbis
The Joy of Flying		ST				K-Pay
Jumpin' Jack Flash	(HBO)	(ST)	(TMC)		MAX	20th Century-Fox
The Killing Machine		ST	(TMC)			Lorimar
The Kindred	HBO					Feldman
King Kong					MAX	RKO Pics.
King of the City		ST	(TMC)			Lorimar
King Richard and the Crusaders					MAX	Warner Bros.
Kismet		(ST)		DIS	MAX	MGM/UA
Knights & Emeralds	(HBO)				MAX	Warner Bros.
Kojak: The Belarus Files		ST				Universal
La Chevre					MAX	Eur. Classics
Labyrinth	(HBO)				MAX	Tri-Star
The Last Hurrah				DIS		Columbia
The Last of Sheila			TMC		MAX	Warner Bros.
Last Resort	(HBO)				MAX	Trinity
Lethal			TMC			Cinema Group
Letters From Frank					MAX	Paramount
Light of Day					MAX	Taft/Barish
Lightning-The White Stallion			TMC			Cannon
The Lightship	(HBO)				MAX	Castle Hill
Like Normal People		ST				20th Century-Fox
The Lion, Witch & The Wardrobe	HBO					Distinguish
The Little Drummer Girl					MAX	Warner Bros.
Liz		*ST			MAX	Private Screen
The Longshot		ST			(MAX)	Orion
Loser Takes All	HBO					Orbis
Lost Horizon					*MAX	Columbia
The Loves of Carmen					MAX	Columbia
Lullaby of Broadway		(ST)			MAX	Warner Bros.
Malaya		ST				MGM/UA
Malibu Bikini Shop	(HBO)		(TMC)		MAX	Wescom
Man Who Came to Dinner		(ST)	TMC	*DIS		MGM/UA
Manhunter		*ST	(TMC)			DEG
Mannequin	HBO	ST	TMC		MAX	20th Century-Fox
Martin's Day					MAX	MGM/UA

Film	Pay Networks					Distributor
The Meanest Man in the World				DIS		20th Century-Fox
Meet Me After the Show				*DIS		20th Century-Fox
Men					MAX	89 Dist.
The Mission					MAX	Warner Bros.
Misty				*DIS		UPA Productions
The Morning After	HBO				(MAX)	Lorimar
Mother is a Freshman					MAX	20th Century-Fox
The Mountain Road					MAX	Columbia
My American Cousin	(HBO)	*ST				Ind. Prod.
My Chauffeur	HBO					Crown
My Fair Lady				DIS		CBS
My Favorite Wife				DIS		RKO
The Name of the Rose	(HBO)	(ST)	(TMC)		MAX	20th Century-Fox
Neon Maniacs	(HBO)				MAX	Castle Hill
A New Kind of Love		ST				Paramount
A Night in Heaven			TMC		(MAX)	20th Century-Fox
Night, Mother					MAX	Universal
Nightside					MAX	Universal
Nightwing	HBO				(MAX)	Columbia
No Retreat No Surrender	HBO					New World
Nobody's Fool		(ST)	TMC			Lorimar
Not Quite Paradise					MAX	New World
Nothing in Common	*HBO				(MAX)	Tri-Star
Nothing Personal					MAX	Orion
The Odd Couple			TMC		MAX	Paramount
The Old Man and the Sea			TMC			Warner Bros.
Oliver Twist	HBO					Warner Bros.
Once Bitten	(HBO)		TMC		(MAX)	Goldwyn
One Crazy Summer					MAX	Warner Bros.
One Too Many	HBO					LCA
Only When I Laugh	HBO				(MAX)	Columbia
Ordeal By Innocence					MAX	Cannon
The Other Woman		ST				Televentures
Out of Bounds	(HBO)				MAX	Columbia
Outlaw Josey Wales	HBO	(ST)	(TMC)		(MAX)	Warner Bros.
P.K. and the Kid	HBO					Castle Hill
Pat and Mike			*TMC			MGM/UA
Pennies From Heaven					MAX	Columbia
People Against O'Hara			*TMC			MGM/UA
Period of Adjustment		(ST)	TMC		(MAX)	MGM/UA
Place of Weeping					MAX	New World
Play It Again, Sam			*TMC		(MAX)	Paramount
The Playbirds					*MAX	Private Screen
The Pleasure of His Company			*TMC	(DIS)		Paramount
The Postman Always Rings Twice		(ST)	TMC		(MAX)	Lorimar
Pretty Maids All In a Row			TMC			MGM/UA
Pretty Smart					MAX	New World
Prince and the Pauper				*DIS		Disney
Prisoner of Zenda		ST				MGM/UA
Private Practices					MAX	Playboy Prog.
Psycho III		ST	TMC		(MAX)	Universal
Purple Rain	HBO		(TMC)		(MAX)	Warner Bros.
Quarterback Princess	HBO			(DIS)	(MAX)	Televentures
Quicksilver	*HBO				(MAX)	Columbia
Quiet Cool		ST				Universal
Rabid					MAX	Viacom
Radio Days		*ST	*TMC		(MAX)	Orion
Raging Bull		ST			MAX	MGM/UA
Rappin'	(HBO)				MAX	Cannon
Rascals & Robbers				*DIS		Televentures
The Red Tent			TMC			Paramount
Reform School Girls	HBO				(MAX)	New World
Restless Natives	HBO				(MAX)	Thorn-Emi
The Return of the Living Dead	HBO				(MAX)	Hemdale
Revolution	HBO					Warner Bros.
Rocky IV	HBO				(MAX)	MGM/UA
Rogue Cop			*TMC			MGM/UA
Rumplestiltskin			TMC			Cannon
Run, Cougar, Run				DIS		Disney
Sahara					MAX	Columbia
The Sandpiper					MAX	MGM/UA
Scorpion					MAX	Crown
The Sender			TMC			Paramount
Serpico			TMC		(MAX)	Paramount
Seven Brides For Seven Brothers		(ST)	(TMC)	DIS	(MAX)	MGM/UA
The Seven Magnificant Gladiators	HBO					Cannon
Seventh Heaven					MAX	20th Century-Fox
Shadow Play	(HBO)				MAX	New World
Shanghai Surprise	HBO				(MAX)	MGM/UA
She's 19 and Ready					MAX	Lorimar-Telepictures
She's Gotta Have It		(ST)	TMC		(MAX)	Island
Sherlock Holmes			TMC			Lorimar
Shipwreck!	HBO	(ST)			(MAX)	Warner Bros.
Sid and Nancy			*TMC			Goldwyn
Six Weeks		ST	(TMC)			King Features
Smoky				DIS		20th Century-Fox
Sno-Line	HBO					S. Borde
So Dear To My Heart				DIS		Disney
So You Won't Talk?					MAX	Columbia
Solomon's Northrup's Odyssey				DIS		Pride Ent.
Something Wild		(ST)	*TMC		(MAX)	Orion
Son of Kong					MAX	RKO Pics.
Sounder				*DIS		UPA Productions
Spacecamp	(HBO)				*MAX	ABC Dist. Co.
The Spanish Main				DIS		RKO
Speedway		ST				MGM/UA
Spies Like Us	*HBO				(MAX)	Warner Bros.
Stand By Me	(HBO)				*MAX	Columbia
Starring...The Actors					MAX	Worldvision
Starship Redwing					MAX	Cinema Group
Steve Allen's Golden Age					MAX	Castle Hill
Stewardess School	HBO				(MAX)	Columbia
Still of the Night			TMC			MGM/UA
Stitches					*MAX	R.P. Marcucci
Stowaway in the Sky			TMC			Janus
Stripes	*HBO				(MAX)	Columbia
Stripped to Kill					MAX	MGM/UA
The Stripper		(ST)	(TMC)		MAX	20th Century-Fox
Strongest Man in the World				DIS		Disney
Sudden Death	HBO					Lodestar
Summer Stock				DIS		MGM/UA
Sun Valley Serenade					MAX	20th Century-Fox
Supermom's Daughter	HBO					Diana Kerew
Tai-Pan		ST				DEG
Teacher, Teacher		*ST				Henry Jaffe
Teachers	HBO	(ST)	(TMC)		(MAX)	MGM/UA
Texas Chainsaw Massacre Part 2		(ST)	TMC			Cannon
That Was Then...This Is Now		ST	TMC			Paramount
They Only Kill Their Masters			*TMC		(MAX)	MGM/UA
The Thief Who Came To Dinner		ST			MAX	Warner Bros.
Thunder Run		(ST)	*TMC			Cannon
To Live and Die in L.A.	*HBO				(MAX)	MGM/UA
Toby McTeague				*DIS		Spectrafilm
Tonight and Every Night					MAX	Columbia
Top Hat				DIS		RKO
Tough Guys		(ST)	*TMC			Disney
Track of the Cat					MAX	Warner Bros.
Trading Places		*ST	(TMC)			Paramount
Transylvania 6-5000	HBO				(MAX)	New World
True Grit				*DIS		Paramount
Two Against the Artic				*DIS		Disney
Two Rode Together					MAX	Columbia
Under the Rainbow					*MAX	Warner Bros.
Unico in the Island				*DIS		Saurio
Uphill All The Way	HBO					New World
Used Cars					MAX	Columbia
Volunteers	HBO					Silver
The Walking Hills					MAX	Columbia
Water			TMC			Paramount
Where the River Runs Black	HBO				(MAX)	MGM/UA
Who Am I This Time?				DIS		Rubicon Film Prod.
Wild and Beautiful Ibiza		*ST				K-Pay
Woodstock					MAX	Warner Bros.

Cable Network Legend:
TMC—The Movie Channel
HBO—Home Box Office
DIS—The Disney Channel
ST—Showtime
MAX—Cinemax

- Networks in parentheses indicate carriage in September, October, November, December and/or January.
- An asterisk indicates the film is a carry-over from September, October, November, December and/or January.
- In total, 334 films appear on the January schedules of Home Box Office, Showtime, The Movie Channel, The Disney Channel and Cinemax. Of those titles, during the last six months, none have played on all five services, thirteen have played on four of the five services, twenty-six have played on three, and ninety-three have played on two of the five services. One hundred and ninety-seven titles on the December schedules of these five services were unduplicated in the last six months.
- The motion picture distributor with the most titles is MGM/UA with 39. Columbia with 37, Paramount with 29, Warner Bros. with 26, 20th Century-Fox with 24.

BUSINESS & FINANCE

$10 billion in deals

Top brokers bank on Big Mo, sharper services for needed edge

By Virginia Munger Kahn

In politics they call it Big Mo. It's that momentum a candidate builds once he or she wins a race or two. Everybody likes a winner, so more and more voters get on the bandwagon.

The same might be said for the cable brokerage business. Once a broker is perceived as "hot," he or she is much more likely to get the next big deal when it comes around. The perception is that if the broker has gotten several major deals lately, they are "in the market," shopping a system around to various interested parties. In the process, they learn exactly what buyers are willing to pay at that specific time and what others may be interested in buying or selling.

That is one explanation brokers and industry executives give for the continuing dominance of Daniels & Associates and Communications Equity Associates at the top of the cable brokerage industry, and why Waller Capital Corp. has risen so fast to the No. 3 spot. The dynamics of the business are such that what goes down in one transaction comes back in another one down the road.

"People figure if you sold them the system once, you can sell it again," says Jim Boyle, head of cable brokerage at Frank Boyle & Co.

That rationale helped long-time industry leader Daniels & Associates to once again lead the list of brokers with more than $1.197 billion in cable deals in 1987. Communications Equity Associates, which has vied in recent years for the No. 1 spot, reported $620 million in cable transactions last year, while Waller Capital shot up to $415 million in deals, a 67 percent increase over the previous year.

Both Daniels and CEA also reported investment banking activity of more than $200 million each. Moving into a strong third position was Cable Investments Inc.

Bob Brown, president of Cable Investments, notes that with the competition so intense among brokers for deals, his company has found it more profitable to move resolutely into investment banking. The $131.6 million reported by Cable Investments is more than three times the business the company reported in investment banking the previous year.

Competing for fewer deals

Overall, 1987 was a less spectacular year for deals than 1986, which set records, and it likely was not as good as most brokers think 1988 will be. According to Daniels & Associates, about 300 cable transactions were consummated in 1987 involving some 6 million subscribers. That is an 11.5 percent dropoff in deals from the previous year. Nevertheless, because cable prices set all-time highs, the value of those 1987 transactions reached a record $10 billion.

Considering the dropoff in transactions and the ever-increasing number of cable brokers, it goes without saying that the competition among brokers intensified last year. What is remarkable about last year's numbers is that even though the amount of business the top three brokers did in 1987 is less than 1986—$2.23 billion vs. $2.98 billion—Waller Capital grabbed an 18.5 percent share of the 1987 market. In contrast, in 1986 the No. 3 spot was held by Henry Ansbacher with a 12 percent market share. That same year, Waller had 7 percent of the business of the top five brokers.

Daniels share of the top brokerage business was about even at 53 percent in 1987, while CEA garnered 28 percent of the market, compared to a 37.5 percent share in 1986.

"We've taken share away from them," says John Waller, referring to Daniels and CEA. "Our strategy has paid off."

While brokers with Daniels and CEA profess no special concern with Waller compared to other brokers in the business—"let him prove himself a little more," says one brokerage industry executive—others concede Wal-

A PIECE

Daniels & Associates	1987	40
	1986	67
[illegible]	[illegible]	[illegible]
Waller Capital	1987	10
	1986	24
[illegible]	[illegible]	[illegible]
Pat Thompson	1987	2[illegible]
	1986	28
[illegible]	[illegible]	[illegible]
Clifton Gardiner	1987	9
	1986	21
[illegible]	[illegible]	[illegible]

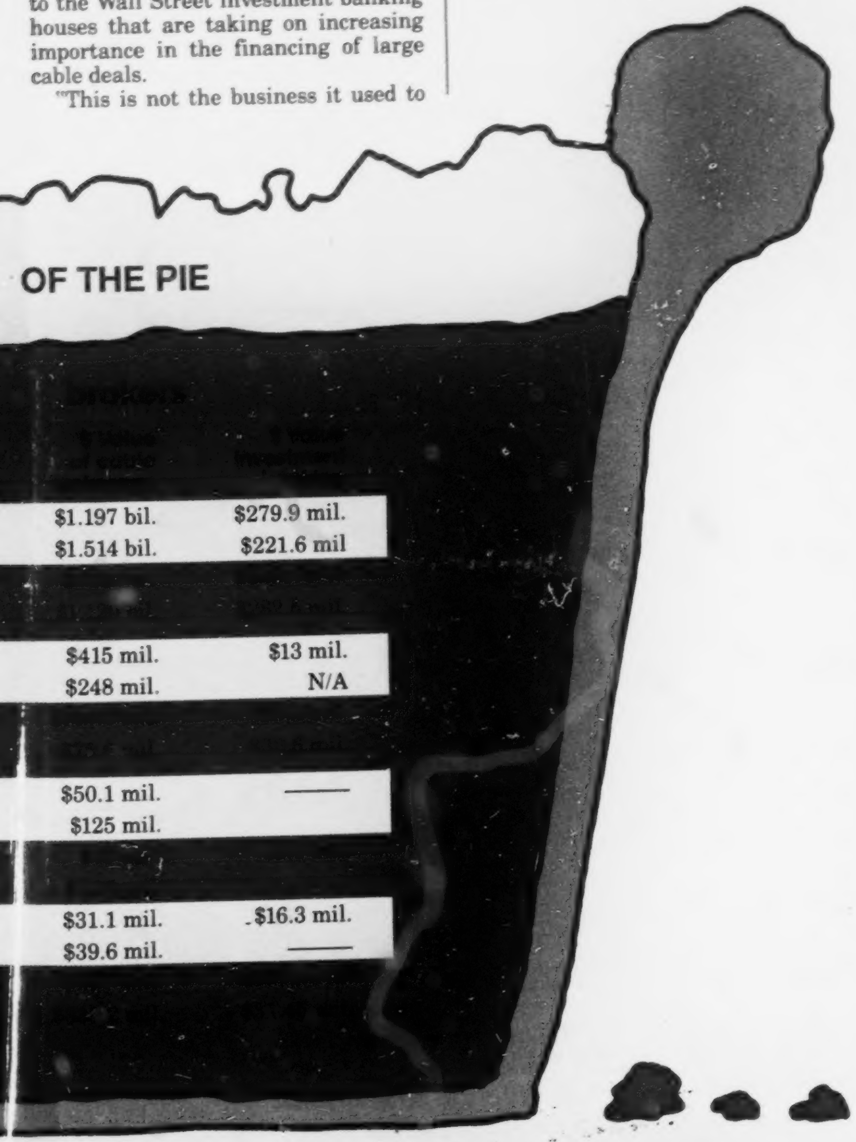
ler has done an excellent job of projecting an image of Wall Street financial sophistication in just his fifth year of business.

In fact, what Waller and many other brokers have realized in recent years is that in order to be successful these days, one must project an image of financial acumen and be able to back that up with access to larger financial resources.

Daniels has gained that ability through its affiliation with Solomon Brothers, while CEA, with Rick Michaels as chairman, long has projected an image of financial sophistication. Waller's ace in the hole is his headquarters in New York City close to the Wall Street investment banking houses that are taking on increasing importance in the financing of large cable deals.

"This is not the business it used to be," says Waller. "It's not a network of 'good old boys' anymore."

While previous contacts obviously are vital, many of the second- and third-tier brokerage firms also are striving to target the higher-end, more complex financial deals. Clifton Gardiner, for example, notes that when he did market research two years ago to determine if there was room for another broker like CEA or Daniels to handle larger deals, he found that indeed there was. "There are two sides to every transaction. The other side wants someone else," he says. "My game plan is to be that person, but unfortunately, he (Waller) has done that already," says Gardiner. He is quick to add, however, that he expects to be able to accomplish that much as well.



OF THE PIE

$1.197 bil.	$279.9 mil.
$1.514 bil.	$221.6 mil
[illegible]	[illegible]
$415 mil.	$13 mil.
$248 mil.	N/A
[illegible]	[illegible]
$50.1 mil.	——
$125 mil.	
$31.1 mil.	$16.3 mil.
$39.6 mil.	——

Another broker who touts his financial smarts is Bruce Falkenberg, president of Coaxial Capital Associates. "The nature of the market is to larger, more complex transactions," says Falkenberg, who claims he is one of only a few brokers who is a certified public accountant. "A lot of people who don't have that sophistication will fall off," he says. While Falkenberg notes that 1987 was "less than terrific" for his company because he was busy putting a staff together, he says he has several fairly large, complex transactions in the works.

Benchmark year ahead

In fact, many brokers say that 1988 will be a benchmark year for cable transactions, especially the buying and selling of large and medium-sized MSOs, which will require financial know-how. Spurring that activity will be several factors, including the lowest tax rates in history, an increasingly uncertain financial and political environment the further out one goes in 1988, and the presence of large MSOs that are cash-rich and still hungry for acquisitions.

"Almost all of our larger transactions have been pushed into 1988" for tax reasons, notes CEA's Michaels. The company currently has $1.4 billion in cable listings, he says. But even more important to the makeup of the market this year will be the big MSOs. "They have big war chests and they will target the medium-sized MSOs and the small properties adjacent to them."

In fact, 1987 saw a tremendous amount of activity at the medium-sized MSO level, indicative of the continuing consolidation of the industry. Many companies in the 50,000- to 150,000-subscriber range were bought out last year or will be bought out in transactions that will close this year. In many cases, the buyers were not the top 10 MSOs, but income funds such as Falcon and Jones or long-time cable or broadcast industry executives who have started up their own firms within the last five years. "The leveraged money guys are still out there" is how Jim Boyle put it, referring to companies like Adelphia Communications, the Bass Brothers, Jones, Prime and Falcon.

Nineteen eighty-seven saw the sale or listing for sale of such long-term

See **Brokers**, *page 38*

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Cable Investments, Inc.

System location	Buyer	Seller	Basic subs	Homes passed
Christiana, PA	High Communications Partnership	Penn Communications	879	1,900
Eastern & Western Shores Maryland	Simmons Communications	Triad CATV, Inc.	5,700	11,000
Towns Near Dallas, TX	Decatur Cable	Sun Cable Partners	306	1,215
Northern Gulf Coast of Texas	Showcase Communications	Peninsula Cable, Ltd.	2,200	7,500
New Boston, DeKalb, Hooks, Maud, TX	Communications Services, Inc.	Donna & Fred Domkos	3,000	5,100
Towns Near Decatur, IL	Cable Systems USA	First Rural Cable	3,900	6,105
Springtown, TX	Decatur Cable TV, Inc.	Universal Telecommunications	210	350
Leaburg, Vida, Blue River, McKenzie Bridge, OR	Falcon Cable Systems Co.	White Water Cablevision, Inc.	950	1,200

CLIFTON GARDINER
& ASSOCIATES INC

System location	Buyer	Seller	Basic subs	Homes passed
Loomis, NE	Universal Cable Comms.	Cablevision Communications	346	700
Northeast KS	Douglas Cable Comm. LP	Allied Partners, Ltd.	1,800	3,886
Brenham, TX	Northland Cable Seven LP	Tom S. Whitehead, Inc.	3,700	5,540
Milsap, TX Area	Showcase Communications	L & J Cable TV	661	1,152
Glendale, OR	Big Pine Cable TV	Glendale Cablevision	350	800
Countryside, FL	TCI Cablevision of FL	Coastline Enterprises	453	547
Bay City, TX Area	Northland Cable Seven LP	Mid-Coast Cable TV	10,600	20,950
Drakesville, IA (3 Sys)	Satcable, Inc.	Citizens Communications	355	525
Hammond, OR	Premier Cable Two, Ltd.	Satellite TV, Inc.	1,017	2,323

coaxial capital
BROKERAGE AND INVESTMENT BANKING

System location	Buyer	Seller	Basic subs	Homes passed
28 communities in WI and MN	Wisconsin Cablevision	Norcom Cable Investors	9,100	14,800
18 communities in WA	McCaw Communications	Harbor Videocable	13,000	16,075
Faulkner County and Perry County, AK	SRW, Inc.	Greenbrier Cable TV, Inc., Perryville Cable TV, Inc.	1,100	3,200
Lihue, HA	Rifkin and Associates	Derby Cablevision, Inc.	8,000	9,500
Laverne, OK	Universal Cable Communications, Inc.	Laverne TV Cable	612	710
Bienville Parish and Arcadia, LA	Falcon Telecable	Bienville Cablevision	600	1,165
Davis Monthan Air Force Base, AZ	Cooke CableVision, Inc.	Cable Arizona	1,725	3,600
Greers Ferry and Higden, AK	BRW, Inc.	Breers Ferry Cable	230	680

System location	Buyer	Seller	Basic subs	Homes passed
Victorville, CA	Booth American Co.	Hi-Desert Cablevision, Ltd.	10,800	13,500
Dade City, Zephyrhills, E. Pasco Co., FL	Moffat Communications Corp.	Action CATV, Inc.	1,500	N/A
Various systems in TX, LA and AK	Galaxy Cablevision, L.P.	Star CATV, Inc.	27,800	68,000
Republican and Mountain Grove, MO	Cable America Corp.	Comm[illegible]y Telec[illegible]mications, Inc.	1,762	3,896
Shippensburg & Newville, PA	Warner Cable Communications	Shipp[illegible] Cable Co.	3,901	4,500
W. Pasco County, Dunedin, Oldsmar, Safety Harbor, Tarpon Springs, New Port Richey, FL	TCI Development Corp.	Atlant[illegible]merican Holdings, Inc.	61,911	122,000
Wild Dunes, SC	Mills Communications	Storer Cable of Carolina, Inc.	744	1,500
Neosho and Seneca, MO	Enstar Communications Corp.	Sammons Communications	3,226	4,575
Syracuse, West Point, Layton, Riverdale, Farr West, Plain City, Pleasant View, Tremonton, Garland, UT	Insight Communications	Watchus Communications	2,400	5,400
Millville, NJ	Sammons Communications of NJ, Inc.	Harron Cablevision of NJ	6,562	9,058
Morrisville, Johnson, Hyde Park, Hardwick, East Hardwick, VT	TCI/Taft Cablevision Associates	Gateway Cablevision Corp.	1,550	2,181
63 Illinois Communities	Triax Associates IV	Prairieland Cablevision, Inc. Illinois Cablevision, Inc. Midland Cablevision Systems, Inc.	17,000	26,500
Jackson & Hall Counties, GA	Lake Cablevision, Inc.	Cable USA, Inc.	1,200	2,200
Wellsville, Andover, Belmont, Amity, Willing, Milo, Jerusalem, Benton, Pen Yan, NY	Adams-Russell Co.	Sammons Communications of New York, Inc.	6,970	8,831
Cayuga, Eugene, portions of Vermillion County, IN	Warner Cable Communications, Inc.	Cayuga Cable TV	412	613
Oakwood, Muncie, Fithian, Fairmont, IL	Warner Cable Communications, Inc.	Oakwood Cable TV	944	1,320
Richton, Leaksville, Sumrall, Hattiesburg, Lake Serene, Lumberton & Poplarville, MS	Phoenix Cable Income Fund	Community Cablevision Systems and W.R.B.D. Communications Inc.	2,863	5,849
Funkstown, MD	Antietam Cable TV	Classic Cable, Ltd.	360	500
Suburban Cleveland and Toledo, OH	Cablevision Systems Corp.	A. Matrix Cablevision Development Co. B. Matrix Suburban CATV Development Co. C. North Royalton CATV Development Co. D. Solon CATV Development Co.	14,110	31,782
Mont Alto, St. Thomas, Quincy Township, PA	Raystay Co.	Classic Cable Ltd.	1,341	N/A
Donaldsonville, Lutcher, Gramery, and Sulphur, LA	Bachow & Elkin, Inc.	Jones Intercable Inc.	10,300	14,052
Estherville and Graetinger, IO	Vantage Cable, Inc.	Sammons Communications, Inc.	2,881	3,386
Clifton, TN	Essex Communications Corp.	Clifton TV Service	200	N/A
Waunakee, Lodi, and Prairie Du Sac, WI	Star Cablevision Group	Cable Video, Inc.	3,200	4,000
Indian Lakes, Lake Pleasant, Spectacular and Wells, NY	Shomann Entertainment Corp.	Dennis Taylor County (Hamilton Cable TV, Inc.)	278	348
Carlinville, Girard, Virden, Thayer, Auburn, Macoupin County, IL	Enstar Communications Corp.	Macoupin County Cablevision, Ltd.	3,645	6,100
West Baton Rouge Parish, LA	Daniels Cablevision of Baker/Zachary	Spillway Cablevision, Inc.	900	1,600
Live Oak and Suwanee County, FL	Cablevision Industries, Inc.	Sammons Communications, Inc.	2,500	2,900
Kiawah Island, SC	US Cable Corp.	Premiere Cablevision, Inc.	1,150	N/A
Hollywood, Ranevel, Folly Beach, Charleston, SC Darien, Jekyll Isl., McIntosh Co., GA	US Cable Corp.	Enstar Communications Corp.	2,700	4,520
Seabrook Isl., Fripp Isl., Beaufort Co., Dataw Isl., SC Skidaway Isl., GA	US Cable Corp.	Island Cable Co., Fripp Island Cable Co., Skidaway Cable TV, Inc.	4,150	5,000
Monticello, Mayo, Jefferson County, Killearn Lakes, Plantation, FL	Cablevision Industries, Inc.	Cable Specialties Ltd.	1,088	1,850
Auburn, Statham, Barrow County, GA	Lake Cablevision, Inc.	Statham Cable Co.	400	N/A
Gwinnet County, GA	Lake Cablevision, Inc.	Home Cablevision Inc.	N/A	N/A
Cumberland, Greensburg, Liberty, Monticello, Russell Springs, Whitley City & Whitley County, KY and Sellico, TN	Enstar Communications	Cumberland Valley Cable TV	13,950	17,386
St. Mathews, SC	Wometco Cable TV,			

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October 1987

Decatur Cable TV, Inc.

$5,500,000

Senior Secured Term Facility

The Undersigned Placed This Note and Assisted Management in a Stockholder Buyout of Jacksboro Cable TV, Inc. and the Merger of Jacksboro Cable TV into Decatur Cable TV, Inc.

Cable Investments, Inc.
8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

This Announcement Appears As a Matter of Record Only.

October 1987

Cablevision of Texas Limited Partnerships

$9,048,000	**Enhanced Yield Senior Secured Revolving and Term Notes**
1,487,000	**Subordinated Revolving and Term Notes**

The Undersigned Structured This Financing and Arranged for the Private Placement of the Notes.

Cable Investments, Inc.
8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

Sisters, OR	Bend Cable Communications, Inc.	Mount Cable Television, Inc.	500	750
Palm Beach County, FL	Fairbanks Communications Inc.	Direct Satellite Communications, Inc.	450	600

1988 DANIELS 30th ANNIVERSARY

System location	Buyer	Seller	Basic subs	Homes passed
East Montco Cable	Northland Communications	C. Nichols	2,200	4,600
Lewis Communications	Universal Cable	Lewis Communications	2,200	8,500
Quality CATV	Triax	Quality CATV	1,120	N/A
Tribune (Danville)	Cablevision Industries	Tribune Co.	22,700	30,000
Vincennes University	Rifkin & Associates	Vincennes University	17,750	20,000
Americable of Greater Miami	TCI	Americable of Miami	24,500	123,000
Montgomery Cablevision	Hauser Communications	Tribune—United	26,000	240,000
Titusville Cable	Cable Systems USA	Jim Duratz	1,205	1,325
Southside Cable	Cable Systems USA	Byron McCracken	2,240	2,500
National TV Communications	George Pancher	Bruce Freel	650	N/A
McCaw Communications	Jack Kent Cooke	McCaw Communications	N/A	N/A
First Carolina	CSI	First Carolina	6,599	10,749
Nova Communications	Triax Develop. Co.	Nova Communications	2,180	3,825
Cass Cable TV Inc.	Triax Develop. Co.	Cass Cable TV	1,220	2,935
Oakhurst (Northland)	Northland Communications	Oakhurst Cable	2,313	3,431
Matanuska Tele.	Bill Guerena	Matanuska Tele.	2,700	6,000
Valley Cable	Cablevision Industries	Hollinger	62,000	150,000
Sinclair Tele. Cable Inc.	American Cablevision	Sinclair Tele Cable of Indianapolis Inc.	5,100	8,840
TV Signal Corp.	Wander Tele Communications	J. Blanson	600	1,450
Seattle Community	Hirschfield (Summit Comm.)	Bill Johnson	4,500	N/A
Dutchess County Cable	Cablevision Systems Devel.	Kaufman & Broad Inc.	4,400	5,280
Satellite Electronics	Wander Tele Commun.	Bob Godfrey	800	2,500
Sylmar, California	King Videocable	Sammons Communications	6,500	8,500
Hanford Cablevision	Continental Cablevision	TCI/Daniels	9,450	24,500
Sylvan Videocable Co.	TCI	Kelly Family	900	1,600
Via Cable of Austin, TX	ATC	J. Priour	1,100	2,300
Mogollon Cable TV	Star Cablevision Group	Jack Blanchard	2,000	3,600
Ridgefield, LA	Columbia Communications	Jim Hirschfield	150	350
Kearney/Scottsbluff, NE	(Cable USA) Scottsbluff, NE	(TCI) Kearney, NE	5,900	N/A
Reedley, California	Hometown Cablecom	Group W	6,800	24,500
Z Channel (Pay TV)	Rock Associates	Group W	N/A	N/A
El Morro Bay Cable	Times Mirror	McCray Communications	285	300
Homelink Partnership	C-Tel/Commonwealth	Dow Jones & Co. Inc.	3,800	7,200
Century Telephone	Falcon Cable	Century Telephone	5,100	10,800
Green Valley (Leona, CA)	Jones Intercable Inc.	Ray Stone	500	N/A
Estancia Valley	Paragon Communications	Estancia Valley	1,050	3,500
Cheaha-Alabama Cable TV	Mike Dailey	Cheaha-Alabama Cable	7,000	N/A
Cold Springs, NV	Wander Telecommunications	Valley View	600	N/A
Skyline Cablevision	TCI	Carl Occhinero	N/A	N/A
Combined Cable	Star Cable	Combined Cable Corp.	34,137	53,398

Hardesty, Puckett, Queen & Company

CABLE TELEVISION BROKERAGE AND RELATED PROFESSIONAL SERVICES

System/location	Buyer	Seller	Basic subs	Homes passed
Upper Tract, WV	Cable Systems USA	Bowers Cable	180	250*
Franklin, WV	Cable Systems USA	Hartman Cable	720	800
Petersburg, WV	Cable Systems USA	Oates TV	1,350	1,5000
Salem, MO	Cable Systems USA	Wheelers Inc.	2,675	3,150
Missouri, Arkansas and Tennessee	Cable Systems USA	Delta Video, et al.	11,867	15,228
Missouri and Arkansas	Cable Systems USA	Dr. Hunt	9,400	12,718
Kenesaw & Juniata, NE	Tele-Sat, Inc.	Juniata Cable Inc. & Kenesaw Cable, Inc.	374	620

Brokers, *from page 33*

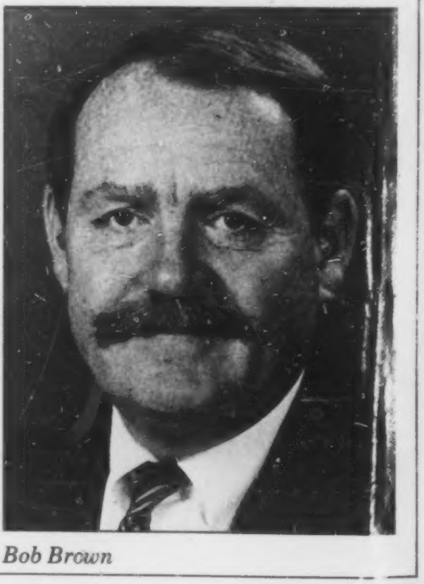
Jim Boyle

players as First Carolina Communications, Harte-Hanks Communications, Essex Communications, Scott Cable Communications, C4 Media, Multi-Channel TV Cable, James Communications, Mountain Cable, Masada, Helicon, Tidel, Dowden and North American Communications.

The buyers of these companies have included Martin Pompadur, whose U.S. Cable Television Group has made several large acquisitions in recent months; Jack Kent Cooke, the former Tele-Prompter chairman; Bob Rosencrantz, whose Columbia International bought Tidel; Don Jones of Star Midwest; and Monty Rifkin, the former head of ATC.

In addition, several very large com-

See **Brokers**, *page 43*



Bob Brown

Mesa, AZ	Times Mirror Cable Television	Golden Hills	4,215	9,670
Doe Run, MO	Farmington Cablevision	First Cable & Land	450*	600*
Beaver, OK	Universal Cable	Beaver Cable TV, Inc.	725	850
Loving, NM	TCI Cablevision of New Mexico	Smith Satellite Comm.	433*	600*
Council, ID	Leonard Communications	Metro Cable Corp.	274	450
Kearney, NB	Metro Enterprises	HRM, Inc.	3,240	7,000
Nebraska	Metro Enterprises	Lou-Platte Comm.	2,004	3,680
Nebraska and Iowa	Metro Enterprises	Omniview	3,388	5,635
Adrian, MO	Douglas Cable	Adrian Cablevision	409	650
Kansas and Misssouri	W.K. Communications	Topeka Cablevision Fund, L.P.	3,900	6,307
Oklahoma	Eagle Cable	Cable TV of Ft. Gibson, Inc.	1,600	3,100
Ulysses & Johnson, KS	Universal Cable	Golden Southwest, Inc.	2,075	2,600
Goldendale, WA	Sun Country Cable	Empire Comm.	1,250	1,400
Missouri	C-4 Media	Citivision	5,000	7,535
Arizona, Arkansas, Indiana, Iowa, Kansas, Nevada, Oklahoma, Utah, and Washington	Robert Gross	Empire LBO	22,500	37,400
Alpine, Pine Valley and areas of San Diego Country, CA	Earl Hickman	Calvideo (LBO)	4,260	6,500
St. Louis, MO area	W.K. Communications	Heritage Communications	1,050	3,133
St. Louis, MO area	W.K. Communications, Inc.	Norstar Communications, Inc.	1,280	3,360
Jefferson City, MO area	Cole County Cablevision, Inc.	First Cable & Land Corp.	1,980	3,700

*Estimated

MARTZ

System location	Buyer	Seller	Basic subs	Homes passed
Payson & Williams, AZ	Star Cablevision Group	First Carolina Comm.	4,236	5,250
Benton Harbor, St. Joseph, Benton Township & Oshtemo, MI	Star Cablevision Group	Acton Corp.	7,540	15,400
Oshtemo & Pavillion Estates, MI	Cablevision Systems Develop. Inc.	Star Cablevision Group	1,316	2,500
St. Johns, AZ	Star Cablevision Group	Milford Richey	2,400	N/A
Woodland Park, CO	Mark Twain Cablevision	Woodland Park Cable System, Inc. & Woodland Park Cable Associates	1,250	2,000
Watseka, IL	Star Cablevision Group	Countryside Cable	3,700	4,500

Pat Thompson Co.

CABLE TELEVISION BROKERS

System location	Buyer	Seller	Basic subs	Homes passed
Washington, DC Area	Amsat Partners, LP	Potomac Television Associates & Master Television Associates	1,500	9,000
Valier, MT	Mountain Side Cable, Inc.	Valier Cable TV	170	240
Barefoot Bay, FL	Atlantic Cablevision	American Cablevision Systems	2,800	5,020
Covington, Drummond, Helena & Jet, OK	Eagle Cable, Inc.	Oklahoma Rural Cable Corp.	450	890
Spencer, Eagle Grove, Iowa & Waseca, MN	Vantage Cable, Inc.	Spencer Cable TV, Inc. TVIQ, Inc. Waseca Cable Television, Inc.	8,392	10,260
Chicago Area	TCI	Satellink	5,265	55,735
Willow Creek, Bombay Beach, Calipatria, Niland, Herlong, Cedarville, Fall River Mills, McArthur, Pittville, Dorris, Happy Camp and Tulelake, CA Sun Prairie, Vaughn, Chester, Dutton, Valier, MT Bonanza, Chiloquin, Malin & Merrill, OR Beaver Parowan & Panquitch, UT	Mountain Side Holdings, Inc.	Mountain Side Cable, Inc.	5,000	8,600
Bronson, Colony, Moran, McCune, Quenemo, and Richmond, KS	Douglas Communications	Scep[illegible]	510	1,227
Minocqua & Woodruff, WI	Star Cablevision Group	Pine Tree Communications	1,677	2,500
Mooreville, MS	J.R. King Enterprises, Inc.	Northeast Mississippi TV Cable Co.	170	335
Novinger, Browning Memphis, Lancaster Greencastle & Greentop, MO	Sat Cable, Inc.	Multi-Com, Inc.	1,736	3,088
Camano Island, WA	Northland Telecommunications Corp.	Acme Communications & Electronic, Inc.	600	1,250
Atwater, Barrett Belgrade, Brooten Elbow Lake, Grove City, & Paynesville, MN	Vantage Cable, Inc.	Armco Communications, Inc.	1,950	2,800
Shelbina, Skelbyville Edina, Montgomery City, Wellsville, Martinsburg, New Florence, Farber, Laddonia & Jonesburg, MO	Mark Twain Cablevision LP—Aff. with Leonard Communications, Inc.	Northeast Missouri Cable TV, Inc.	2,650	3,970
Riverside, IA	Dowden Communications	Riverside Cable Systems, Inc.	175	325
Paris, Perry, Madison MO	Mark Twain, LP Aff. Leonard Communications, Inc.	Paris Cable Inc.	830	1,375
Lefors, Skellytown Groom, TX	Cablevision of Texas, LP	Goldenspread Cablevision	613	900
Challis, ID	Premier Cable Two, Ltd.	Community Cable Television, Inc.	359	750
Hysham, Joliet, Fromberg, Rimrock, MT	Premier Cable Two, Ltd.	Rimrock Cable TV, LP Beartooth Cable Systems, LP Hysham Cable TV	518	1,000
Athens County, OH	SRW, Inc.	Sat Cable, Inc.	997	1,360

PYMS

PYMS CABLE BROKERAGE, INC.

System location	Buyer	Seller	Basic subs	Homes passed
Springhope, Middlesex, Bailey, NC	React Cable Services	Mid-Atlantic Cable Corp. of North Carolina	297	1,250
Lucama, Kenly, Micro, Princeton, NC	High Industries, Inc.	Mid-Atlantic Cable Corp. of North Carolina	950	1,692
Tabor City, NC	Marvin Bates, Junior	Advanced Communications	475	911
Silverton, CO	Pagosa Vision, Inc.	San Juan Cable TV	200	340
Central City, Blackhawk, Nederland, CO	Pagosa Vision, Inc.	Stagecoach Cable TV	366	1,100
Limon, Deer Trail, CO	Televents Group, Inc.	Cripple Creek Cable, Inc.	930	1,100
Daytona Beach Shores, FL	TCI	Advanced Communications and Satellite Systems, Inc.	3,435	9,640
Bayfield, WI	Marcus Communications	Bayfield Cable TV Co.	380	425

Tom Belcher Communication Resources

System location	Buyer	Seller	Basic subs	Homes passed
Elwood & Highland, KS	Falcon Cable	TCI	506	912
Kingfisher, Geary, Watonga, Hennessey, Okeene, Fairview, & Cherokee, OK	Eagle Cable	Tempo Cable	5,000	9,180
Oilton, OK	Community Cablevision, Inc.	First State Bank of Oilton	175	654
Stilwell, OK	Cablevision of Texas	Airwaves Communications, Inc.	460	1,157
Westville, OK	Cablevision of Texas	Lovett Cable TV	335	850
Watts, OK	Cablevision of Texas	Lovett Cable TV	125	250
Lincoln, AK	Cablevision of Texas	Lovett Cable TV	400	700

Brokers, *from page 38*

panies were contracted for sale in 1987 and will close in 1988, including Storer Communications, which was bought by TCI/Bass, ATC and Comcast; and American Cablesystems, which was bought by Continental Cablevision. Nineteen eighty-seven saw TCI close its acquisition of Heritage Communications and Jack Kent Cooke close the purchase of McCaw Communications.

Speculation is rife within the industry that 1988 could see several other major deals of the size of American Cablesystems. As has been the case for several years, attention has focused on the Times Mirror cable properties.

In fact, Henry Ansbacher, which reported no cable deals in 1987, says it is focusing on cable properties held within trusts and within newspaper publishing companies as targets of opportunity. "Some of the prime properties are hidden away in family trusts," says Roy Weissman, vice president at Ansbacher. "The high percentage of

See **Brokers**, *page 44*

This notice appears as a matter of record for brokerage firms, lenders, investment bankers, and buyers and sellers of cable, radio and TV properties.

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Yale, OK	Community Cablevision, Inc.	TCI	167	644
Shangri-la Resort, Delaware County & Bernice, OK	Eagle Cable	Grand Lake Cable TV, Inc.	715	2,300

Waller Capital Corp.

WALLER CAPITAL CORP.

System location	Buyer	Seller	Basic subs	Homes passed
Portions of New Hampshire	Continental Cablevision, Inc.	Cablevision Service Co., Inc.	12,000	22,000
Portions of Michigan	Centel Communications	Welbac Cable Corp.	2,550	3,700
AZ, CO, GA, OH, OK & TN	First Carolina Communications	Harte-Hanks Cable, Inc.	45,277	65,700
FL & TX	Cablevision Management, Inc.	Planned Cable Systems Corp.	6,500	12,000
St. Robert, MO	Cable America Corp.	Clef TV Communications	500	3,000
Calhoun City, MS	ACI Mississippi, Inc.	Telephone & Date Systems	1,000	1,500
WI, IA, MS, AL, GA, NY, VT & ME	First Carolina Communications	James Communications Inc.	100,000	135,000
OK	GH Cable	McGee Creek Cable TV Associates	1,700	2,000
OK	GH Cable	Lake Texcoma Cable TV Associates	1,600	2,250
TX, TN, CO, GA, NC, MI & KY	Cencom Cable Associates	The Adam Corp./Group	74,000	125,500

Brokers, *from page 43*

subscribers tied up there is amazing."

At the other end of the spectrum, brokers like Pat Thompson, Jim Boyle, and John Waller see an increasing amount of activity among small and independent operators. In fact, Thompson, like many other brokers, reported a decline in 1987 brokerage activity compared to 1986. As she and others have noted, many smaller deals have been pushed into 1988 to take advantage of the historic lows in tax rates. "We've already closed 10 deals this month," Thompson said last week.

John Waller

Rick Michaels

That market has been pushed along by medium-sized MSOs who are looking to cluster smaller systems, players such as Douglas Communications, Le-

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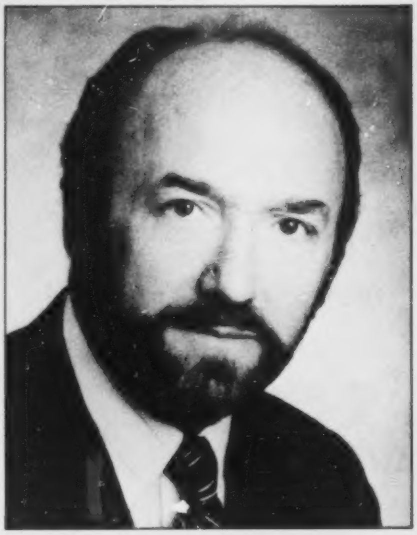

Clifton Gardiner

onard Communications, Vantage Cable, and Northland Communications. "These are the people who are buying independent operators," says Thompson.

Record prices expected

As has been the case with prices in general, the cost of buying smaller cable systems continued to rise in 1987. According to Thompson, the average price for a smaller system with growth potential was about $1,500 to $1,700 per subscriber, while Thompson's average was closer to $1,200 per sub. On a multiple of cash flow basis, the average was between 11 and 12 times trailing cash flow. "Prices are better than ever," she says. "They used to be $800 to $1,000 per subscriber."

The old adage of what goes around, comes around worked in Thompson's favor last year. The company got the listing for Tidel Communications, a larger transaction than most others handled by the company, as a result of selling the Storer Cable systems to Tidel in 1986. Columbia International has agreed to buy Tidel at a price reported to be more than $2,200 per subscriber.

John Waller predicts that the small system market will be hotter than ever in 1988. He notes that not only have many limited partnerships seen significant rises in their asset values, and therefore likely will be pressured to provide some liquidity for their investors, but also many smaller companies changed their status to Sub S corporations at the end of 1986 in order to continue taking advantage of the General Utilities Doctrine. In so doing, they will be prohibited from selling assets until January 1989.

"A fair amount of independent operators" will bring those systems to market in 1988 in order to close their deals next year, says Waller. "A lot of independents share my nervousness" about the financial environment," says Waller. The current bull market "cannot go on forever."

Perhaps the most remarkable aspect of the 1987 system market was its continuing strength in the face of the crash in public market values in October. While several brokers said they thought prices might have declined about 10 percent in the private market as a result of the stock market crash, in general, prices held their own and in some cases continued to set new records.

Brokers attribute that phenomenon to the continuing appetite of buyers and a slowdown in the number of properties available for acquisition. Buyers who can count on bank financing, such as many of the medium and large MSOs, have found little letup in the interest of those institutions to help the cable industry continue its consolidation.

Daniels & Associates President Phil Hogue figures that the average per subscriber price of a cable system last year was $1,700 to $1,800, although he notes that many deals also were done at the $2,000 per subscriber level and up. On a multiple of cash flow basis, he figures the average was between 11.5 and 12.5 times next year's cash flow.

While Hogue notes that the 1987 increase in cable values equalled about 30 percent, he says he does not foresee such a mammoth increase from 1987 to 1988. "By the end of 1988 we will not see an average of $2,300 to $2,500 per subcriber," he says. "Prices will go up, but not at the same rate."

Economy calling the tune

Many brokers and industry executives believe multiples are about as high as they can go, without becoming uneconomic, and that the big pop in values occurred in 1986 and 1987. Some are pointing to price resistance on the Essex Communications deal and the MacDonald properties as evidence of a slowing in cable system price increases. The Essex Communications deal was projected to be done at $2,000 per subscriber by Waller Capital, but the price has been adjusted down to $1,667 since the crash. The MacDonald properties, which most recently were priced at $2,000 a subscriber, have been on and off the market several

See **Brokers**, *page 52*

Pat Thompson

This notice appears as a matter of record only.
December, 1987

GH CABLE OKLAHOMA LIMITED PARTNERSHIP

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serving approximately 1,700 basic subscribers and passing over 2,000 homes in Atoka, Coalgate and Tushka, Oklahoma.

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WALLER CAPITAL CORPORATION
Richard H. Patterson
Vice President

45 Rockefeller Plaza
Suite 2520
New York, NY 10111
(212) 307-7201

Brokers, *from page 49*

times in recent years. "It's questionable whether you really have two sellers there," says one broker.

At the same time, brokers report that bidding for the Masada properties, which CEA is representing, has been intense and that the systems likely will go for $2,100 to $2,200 a subscriber. "That will be the price set for quality systems of size," says Jim Boyle. John Waller notes that most of the Harte-Hanks properties, which were considered good, high-growth systems, have been sold for prices in the range of $2,500 a subscriber. As Rick Michaels characterized it, since the beginning of the New Year the market has "taken off with a blast."

Considering the backlog of transactions most of the brokers are reporting for this time of year—$1.4 billion for CEA, $612 million for Waller Capital, 15 transactions for Pat Thompson—1988 is shaping up to be another record-breaking year.

However, the keys will be not only the number of properties coming on the market and the appetites of buyers, but also the financial environment. Most industry executives and brokers are sanguine about the future, especially the direction of interest rates, given that 1988 is an election year and the Federal Reserve Board historically has refused to send the economy into recession during an election.

Nevertheless, there is enough uncertainty about the economy, as a result of the October crash and the continuing federal and trade deficits, that many potential sellers could be convinced that now is the time to cash in. Who they give that business to will depend a great deal on who they have done business with in the past and which broker they think is the closest to the heart of the systems market at the time and can deliver the highest price. ■

NOTES

New Services

Clifton Gardiner opens new investment company

DENVER—Clifton Gardiner & Co. is providing a new investment banking service to the communications industry. The company will hold broker/dealer status as soon as its license application is approved by the National Association of Securities Dealers.

Clifton Gardiner, president of Clifton Gardiner & Associates, is chairman of the new financial services organization. Gary Jaeckel has been named president. Jaeckel was previously director of the financial division in Gardiner's brokerage company. Other personnel include Mary Jo Grant, financial analyst, and Margaret Yunker, investment banker.

The new company was formed because of the demand for broker/dealer services in the industry, according to Jaeckel.

Financial/Stocks

Century Communications posts six months results

NEW CANAAN, Conn.—Century Communications Corp. reported results for the six months ended Nov. 30, 1987.

Total revenues for the six months grew to $79,174,000, an increase of $41,442,000, or 109.8 percent over the prior fiscal year's first half total revenues of $37,732,000. Operating income before depreciation and amortization was 54.2 percent of total revenues, or $42,925,000, an increase of $21,992,000, or 105.1 percent over the $10,237,000 recorded for the corresponding period of fiscal 1986.

Operating income was $16,734,000 for the six months ended Nov. 30, 1987. This was an increase of $6,469,000, or 63 percent over the corresponding period of the previous year.

Cable TV Industries reports fiscal results

LOS ANGELES—Cable TV Industries reported sales for the three and nine months ended Oct. 31, 1987, were $9,828,000 and $29,908,000, respectively, compared to $8,546,000 and $23,306,000 in the same periods a year ago.

Net income for the quarter was $201,000, or 7 cents per share, and $608,000, or 20 cents per share, for the nine months ended Oct. 31, 1987, compared to 1986 net loss of $66,000 or 2 cents per share, and $609,000, or 20 cents per share in the same periods.

Acquisitions

First Carolina sold to 1st CableVision

TAMPA, Fla.—First Carolina Communications Inc. has been sold to 1st

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CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	1988 subs	1987 subs	change
ACTS Satellite Network	245	6,300,000	4,900,000	28.6%
Alternate View	242	2,800,000	2,500,000	12%
Arts & Entertainment	2,400	27,000,000	19,700,000	52.3%
Black Entertainment Television (BET)	1,000	18,000,000	11,400,000	58%
Cable News Network (CNN)	11,423	41,642,000	38,456,000	10.6%
Cable Value Network	1500	18,400,000	10,000,000	84%
CBN Cable Network	7,817	37,212,000	34,086,000	9.2%
C-SPAN	2,700	32,500,000	25,250,000	28.7%
C-SPAN II	485	12,500,000	7,600,000	64.5%
Consumer Discount Network			750,000	N/A
Country Music Television	568	6,800,000	6,200,000	9.7%
The Discovery Channel	2,700	27,494,000	14,000,000	96.4%
ESPN	18,936	46,100,000	39,300,000	17.3%
Eternal Word Television Network (EWTN)	387	7,100,000	6,100,000	16.4%
The Fashion Channel	600	8,700,000		
Financial News Network (FNN)	1,770	27,300,000	24,000,000	13.8%
FNN/Score	1,150	19,800,000	19,000,000	4.2%
FNN/TelShop	850	11,000,000		
GalaVision	300	1,000,000	425,000	135%
Gospel Music Network	31	744,447		
Headline News	3,608	28,352,000	22,724,000	24.8%
Hit Video USA	170	2,164,000	1,700,000	27.3%
Home Premiere Television	7	247,000		
Home Shopping Network	1,108	15,200,000	11,613,217	30.9%
Home Shopping Network 2	280	5,800,000	5,820,000	-.3%
The Inspirational Network (PTL)	1,050	10,500,000	15,000,000	-30%
International Television Network	56	7,868,900	20,130,000	N/A
The Learning Channel	930	11,000,000	7,200,000	52.7%
Liberty Broadcasting Network	39	1,049,218	1,300,000	-19.3%
Lifetime	3,500	34,000,000	29,000,000	17.2%
Mind Extension University	63	1,300,000		
The Motivation Network	13	200,000	886,000	-77.4%
Movietime	60	4,000,000		
Music Television (MTV)	4,340	37,100,000	32,600,000	13.8%
The Nashville Network	6,330	37,000,000	26,600,000	39%
National Jewish Television (NJTV)	295	6,800,000	5,569,000	22.1%
National Shopping Club	65	1,500,000		
NewJaz-TV	200	300,000		
Nick At Night	3,862	31,000,000		
Nickelodeon	5,430	35,800,000	30,300,000	18.2%
The Nostalgia Channel	150	1,400,000	850,000	64.7%
QVC Network	731	10,935,000	10,500,000	4.1%
Shop Television Network	60	3,000,000		
Silent Network	300	9,500,000	6,800,000	39.7%
Telshop			10,500,000	4.8%
Tempo Television	700	14,500,000	12,500,000	16%
The Travel Channel	220	7,000,000	5,000,000	40%
Trinity Broadcasting Network	523	7,037,000	6,387,000	10.2%
USA Network	9,200	41,000,000	35,000,000	17.1%
Video Hits One (VH-1)	1,697	20,800,000	17,300,000	20.2%
Video Shopping Mall	600	14,000,000	N/A	
The Weather Channel	3,100	31,600,000	24,000,000	31.6%
WGN-TV	10,809	23,888,216	22,180,000	7.7%
WOR-TV	2,293	9,657,482	8,669,134	11.4%
WPIX-TV	617	8,875,212	2,434,000	26.4%
WTBS-TV	12,640	42,528,000	39,330,000	8.1%

Pay services				
American Exxxtasy	35	25,000		
American Movie Classics	1,300	9,000,000	2,000,000	350%
Bravo	350	1,000,000	350,000	185%
Cinemax	3,650	4,100,000	4,100,000	NC
The Disney Channel	4,300	3,175,000	3,000,000	5.8%
Festival	N/A	N/A		
Home Box Office (HBO)	6,700	15,000,000	15,000,000	NC
The Movie Channel	3,250	2,600,000	3,250,000	-20%
The Playboy Channel	600	520,000	732,000	-28.9%
Showtime	3,200	5,700,000	5,400,000	5.5%

Audio services				
Cable Radio Network	39	1,300,000	1,600,000	-18.7%
KKGO Super Jazz	16	131,832	98,521	33.6%
Moody Bible Institute	62	937,611	923,102	1.5%
Satellite Radio Network	251	740,000	740,000	NC
Seeburg Lifestyle Music	142	2,576,836	2,465,000	4.5%
Seeburg Lifestyle Adult Contemporary	26	854,390	536,000	59.3%
Tempo Sound	107	1,250,000	1,000,000	25%
WFMT Chicago	177	1,233,355	1,257,000	-1.9%

1987 amounts were taken from the Feb. 16, 1987 issue.

Text services	Affiliates	1988 subs	1987 subs	change
AP News Cable	185	2,500,000	3,600,000	-30.5%
AP Business Plus	54	1,400,000		
AP News Plus	75	2,100,000	1,500,000	40%
Cable SportsTracker	40	875,328	2,045,000	-57.2%
DBC/MarketWatch	240	5,000,000	N/A	N/A
Electronic Program Guide (EPG)	321	6,494,395	5,643,000	15%
EPG Jr.	161	152,178	76,655	100%
EPG Prevue	N/A	N/A		
Genesis Cable Storytime	37	1,505,000	1,033,000	45.7%
Reuters News View	127	2,437,000	3,250,000	-25%
TV Decisions	177	6,818,487	6,400,000	6.5%
UPI Data Cable	450	4,000,000	4,000,000	NC
X*Press	346	1,200	1,000	20%
X*Press Exchange	346	6,400		

Non-satellite-fed national services

Bicycled services	Affiliates	1988 subs	1987 subs	change
Cable Video Entertainment	205	15,500,000	5,600,000	176%
Fuji Network	3	12,000	11,044	8.6%
Nippon Golden Network	3	12,780	11,044	15.7%
Telaction	N/A	N/A		
Vector Consumer News	5	200,000	325,000	-38.5%
Vector Consumer Shopping Guide	9	325,000	407,000	-20.1%

Regional entertainment services

Basic services	Affiliates	1988 subs	1987 subs	change
Atlanta Interfaith	7	160,000	150,000	6.6%
Bay Area Religious Channel (BARC)	6	113,000	113,000	NC
Buffalo Sabres Hockey	6	455,000	400,000	13.7%
Cable TV Network of New Jersey	35	1,364,836	1,300,000	4.9%
The Ecumenical Channel	9	170,000	149,000	14%
KTVT	415	3,502,352	1,882,000	8.6%
Life Newsvision	35	50,000	50,000	NC
Madison Square Garden	92	2,092,434	2,015,000	3.8%
Meadows Racing Network	15	600,000	446,000	34.5%
MetroChannel			118,000	
News 12 Long Island	7	500,000	500,000	
Prime Cable	8	344,350		
Prime Ticket	37	2,250,000	1,600,000	40.6%
SportsVision (Chicago)	47	1,025,200	610,000	68%

Pay services				
Home Sports Entertainment Houston/Dallas	140	450,000	216,000	108%
Home Team Sports	114	719,000	500,000	44%
New England Sports Network	157	213,171	172,178	23.8%
PRISM-Philadelphia	88	415,420	370,000	12.2%
Pro-Am Sports	140	301,000	112,000	168%
SportsChannel (Florida)	2	45,000		
SportsChannel (New England)	147	800,000	363,000	120%
SportsChannel (New York)	92	1,000,000	562,000	77.9%
Z Channel	17	80,000	89,500	-10.1%

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1109, New York, NY 10016.

N/A denotes information not available.
NC denotes no change.
TBA denotes to be announced.

Announced services

Satellite-fed services	Expected launch
ATV:Advertising Television	1st Quarter 1988
Americana Network	2nd Quarter 1988
Cable TV & Appliance Network	2nd Quarter 1988
International Cablecasting's CD/8-The Digital Music Network	1st Quarter 1988
Kids Information Network	3/88
The Landscape Channel	2nd Quarter 1988
Laugh TV	1st Quarter 1988
Main Street	2nd Quarter 1988
The Preview Network	1st Quarter 1988
Telamerica Broadcast Network	2nd Quarter 1988
Teleworld Network Television	5/88
Wingtips	2nd Quarter 1988
You TV	3/88

C4722-2
2/19/88

FEBRUARY 15, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

DANIELS OPTS OUT

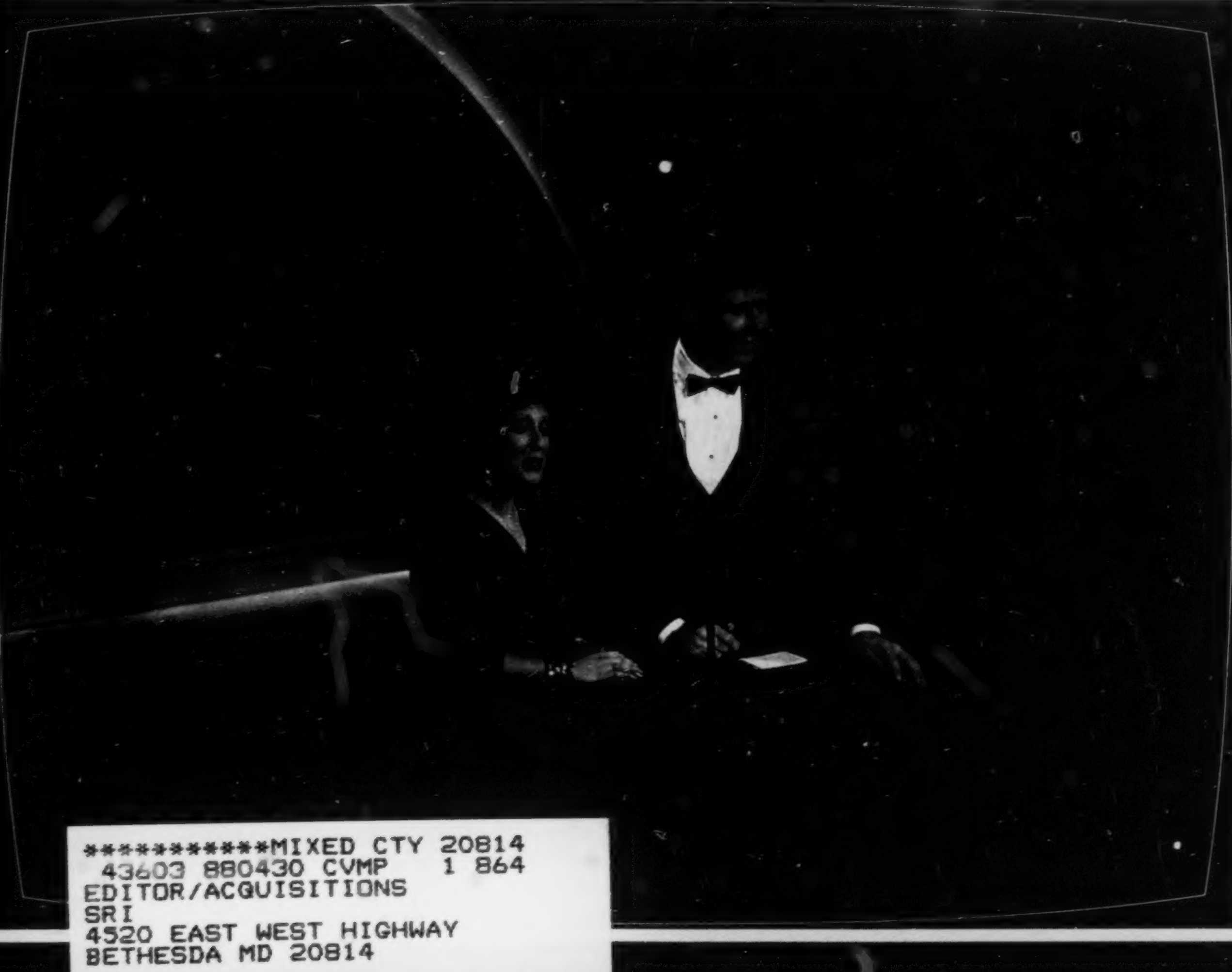
PPV'S URGE TO MERGE

ON THE PROWL WITH JEFF MARCUS

BEYOND 'IF' TO 'HOW' WITH TELCOS

$1.4 BILLION IN CONSTRUCTION FORECAST

A NIGHT OF SHOOTING STARS: THE NINTH ANNUAL ACE AWARDS



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CableVision

FRONT LINE

Fiber projects double 12
Bearing out our earlier projections, the number of fiber-to-the-home projects by telcos is proliferating, doubling from just a few months ago. At least 10 such last-mile fiber projects are planned or in progress.

Mooney wows Hollywood 16
He's often talked about Rodeo Drive, but now NCTA head James Mooney ventures into the heart of Hollywood to foster an emerging detente between cable and the production community. And more summit meetings are planned.

Seeing and selling double 18
The MTV ad sales force, not untutored in ad sales, has a rare double opportunity—selling spots on the hit kids game show, *Double Dare*, in both syndication and on Nickelodeon. The plan is opening doors.

A/B switches survive 19
Instead of win-win, cable's recent must-carry victory could be lose-lose. The industry is taking political heat for escaping the mandatory carriage rule, and now a court says the other half of the rule, A/B switches, will survive.

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When the FCC opened its inquiry into telco/cable cross-ownership, many dismissed the action as mere sabre rattling, but now the full-blown proceeding is shaping up as a blueprint for some dramatic easing of rules. The game suddenly is getting serious.

PROGRAMMING

PPV's urge to merge 40
The pay-per-view industry is a great business, except none of the five or six players are making much money. Merger talks are rampant, with attention now focusing on a possible Viewer's Choice—Home Premiere Television combination.

MANAGEMENT

$1.422 billion in outlays 46
Last year was the Year of the Rebuild as cable construction began a boom period that caught many off guard. And in our 13th annual survey of the industry, we find there should be no letup ahead, with 26,090 miles of new plant and 60,614 miles of replacement plant forecast.

LAW AND REGULATION

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Sometimes small things mean a lot, and a Florida lawsuit over a cable operator's access to easements in private developments certainly fits the bill. The case could become pivotal in the overbuild issue.

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One of cable's pioneers took a hard look at the future and decided that its best role in the industry is in brokerage and finance. Daniels & Associates, in a $190 million deal, is exiting systems operations.

Bright and bullish 68
Cable always has attracted savvy entrepreneurs, and among the new generation of such big-play strategists is Jeff Marcus, who learned acquisitions at CEA, investment style from TCI, and now is poised to join the major leagues of MSOs.

COVER STORY

ACEs up their sleeve 26
The Ninth Annual ACE Awards were bigger and glitzier than ever and produced many surprises. Not surprising, though, was HBO's continued dominance and the many nods toward shows with high production values. We review the telecast and list the winners.
—Photo by Berliner Studio.

BETWEEN THE LINES

Television torch passes to 'a word from our sponsor'

The Great Communicator, it seems, has been excommunicated by the three broadcast networks. Last week, for the second time in four months and the third time in about a year and a half, the Big 3 all refused to interrupt prime time programming to relay a presidential address.

Such telling detail was not lost on *The New York Times*, which observed in an editorial page item that "Cable News Network was the only major TV network to carry" the president's speech.

Let's not quibble with the good, grey *Times*, but another cable network, C-SPAN, also carried the address from the Oval Office, albeit on tape delay as it usually does with such speeches from the White House. Instead let's move on to the point, pausing only to do a double-take (heavens to Betsy!) at *The Times* bending to knight CNN as a "major TV network."

The point is, as *The Times* correctly observes, that "a passing of the torch seems under way. With the three majors essentially in the entertainment business, it will be upstarts such as CNN, C-SPAN and conceivably some local public stations that will become the essential source of televised news coverage."

Now there isn't any law requiring the broadcast networks to honor a president's request for free air time to address the nation. Such decisions are made solely on the news value of the speech to be made, although how that can be done before the president opens his mouth seems a mystery. According to press reports, news executives at ABC, NBC and CBS decided that because the subject of the speech was aid to the Nicaraguan contras, a topic that has been rehashed seven ways to Sunday, President Reagan wasn't going to be making any news. Keep in mind, though, that this is a president who occasionally departs from the text; his open-mike remark that "the bombing starts in five minutes" comes to mind.

Let's also be mindful of the fact that presidential addresses often play havoc with the networks' programming schedules. These speeches typically run 20 minutes or longer. Then, because they usually are of a partisan nature, the other party must be given time to respond. That pretty much can wipe out a big block of prime time, depriving the nation of *Who's the Boss* on ABC, *Matlock* on NBC and CBS's inspection of the Denver airport.

Yes, a passing of the torch in television news is occurring, and cable is holding that torch high. But *The Times* did get one thing flat wrong. The Big 3 aren't "essentially in the entertainment business," they're in the advertising business. It was their $200,000 30-second advertising spots that couldn't be bothered.

With our next issue, *CableVision* adds a new editorial section: Operations. In this regular feature, we will focus on issues important to the day-to-day functioning of cable systems, including office automation, billing, customer service, training, fleet leasing and many others. You have expressed interest in such coverage, and we hope that in the Operations section you will find valuable tips, learn how the other guy solved a problem, see how you can save money. If you have a story idea for the Operations section, call me at (212) 213-3110.

—Steve Tuttle
Editor and Associate Publisher

CableVision

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February 15, 1988
Volume 12, Number 37

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. Feb. 15, 1988, Volume 12, Number 37. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

PROGRAMMING/Pay-Per-View Supply Chart

February — Source

Back to the Beach (2/6) — **Paramount**
MPAA Rating: PG — Running Time: 92 mins.
Cast: Annette Funicello, Frankie Avalon, Lori Loughlin.

The Big Easy (2/24) — **HBO Enterprises**
MPAA Rating: R — Running Time: 101 mins.
Cast: Dennis Quaid, Ellen Barkin.

Deadline (2/18) — **Skouras**
MPAA Rating: R — Running Time: 99 mins.
Cast: Christopher Walken.

Dirty Dancing (2/11) — **Vestron**
MPAA Rating: PG-13 — Running Time: 100 mins.
Cast: Jennifer Grey, Patrick Swayze, Cynthia Rhodes.

Dolls (2/27) — **Vestron**
MPAA Rating: R — Running Time: 91 mins.
Cast: Stephen Lee, Guy Rolfe, Hilary Mason.

Eat the Peach (2/1) — **Skouras**
MPAA Rating: NR — Running Time: 95 mins.
Cast: Eamon Morrissey, Stephen Brennan.

The Fourth Protocol (2/1) — **Lorimar**
MPAA Rating: R — Running Time: 118 mins.,29 secs.
Cast: Micheal Caine, Pierce Brosnan, Joanna Cassidy.

Good Morning Babylon (2/27) — **Vestron**
MPAA Rating: PG-13 — Running Time: 118 mins.
Cast: Vincent Spano, Charles Dance, Greta Scacchi.

Hot Pursuit (2/6) — **Paramount**
MPAA Rating: PG-13 — Running Time: 95 mins.
Cast: John Cusack, Robert Loggia, Wendy Gazelle.

In the Mood (2/14) — **Lorimar**
MPAA Rating: PG-13 — Running Time: 98 mins.
Cast: Patrick Demsey, Talia Balsam, Beverly D'Angelo.

Jane and the Lost City (2/25) — **HBO Enterprises**
MPAA Rating: R — Running Time: 92 mins.
Cast: Sam Jones, Maud Adams.

Jaws-The Revenge (2/4) — **Universal**
MPAA Rating: PG-13 — Running Time: 90 mins.
Cast: Lorraine Gary, Lance Guest, Mario Van Peebles.

Kandyland (2/25) — **HBO Enterprises**
MPAA Rating: R — Running Time: 93 mins.
Cast: Charles Laulette, Kim Evenson.

Mannequin (2/1) — **20th Century-Fox**
MPAA Rating: PG — Running Time: 90 mins.
Cast: Andrew McCarthy, Kim Kattrall, Estelle Getty.

Nadine (2/18) — **Tri-Star**
MPAA Rating: PG — Running Time: 82 mins.,47 secs.
Cast: Jeff Bridges, Kim Basinger, Rip Torn.

No Way Out (2/3) — **Orion**
MPAA Rating: R — Running Time: 114 mins.
Cast: Kevin Costner, Sean Young, Gene Hackman.

Predator (2/17) — **20th Century-Fox**
MPAA Rating: R — Running Time: 107 mins.
Cast: Arnold Schwarzenegger, Carl Weathers, Eltidia Carrillo.

March — Source

An American Tail (3/10) — **Universal**
MPAA Rating: G — Running Time: 81 mins.
Cast: Animated.

Beverly Hills Cop (3/9) — **Paramount**
MPAA Rating: R — Running Time: 103 mins.
Cast: Eddie Murphy, Judge Reinhold, Brigitte Nielson.

Big Shot (3/31) — **Lorimar**
MPAA Rating: PG-13 — Running Time: 91 mins.
Cast: Risky Busker, Darius McCrary.

The Big Town (3/30) — **Columbia**
MPAA Rating: R — Running Time: 110 mins.
Cast: Matt Dillon.

Born in East L.A. (3/9) — **Universal**
MPAA Rating: R — Running Time: 85 mins.
Cast: Cheech Marin, Paul Rodriquez, Daniel Stern.

Garbage Pail Kids (3/10) — **Paramount/Atlantic**
MPAA Rating: PG — Running Time: 100 mins.
Cast: MacKenzie Astin.

Good Morning Babylon (3/24) — **Vestron**
MPAA Rating: PG-13 — Running Time: 118 mins.
Cast: Vincent Spano, Charles Dance, Greta Scacchi.

Hell Raiser (3/31) — **HBO Enterprises**
MPAA Rating: R — Running Time: 90 mins.
Cast: Andrew Robinson, Claire Higens.

Hope and Glory (3/11) — **Columbia**
MPAA Rating: PG-13 — Running Time: 113 mins.
Cast: Sarah Miles, David Hayman.

Living on Tokyo Time (3/20) — **Skouras**
MPAA Rating: NR — Running Time: 83 mins.
Cast: Monako Ahashi, Ken Nakagawa.

North Shore (3/10) — **Universal**
MPAA Rating: PG — Running Time: 96 mins.
Cast: Mett Adler, Gregory Harrison, Mia Peeples.

Revenge of the Nerds II (3/24) — **20th Century-Fox**
MPAA Rating: PG-13 — Running Time: 91 mins.
Cast: Robert Carradine, Curtis Armstrong, Larry E. Scott.

Slammer Girls (3/1) — **Vestron**
MPAA Rating: R — Running Time: 82 mins.
Cast: Tally Brittany, Jeff Eagle.

Steel Justice (3/10) — **Paramount/Atlantic**
MPAA Rating: R — Running Time: 92 mins.
Cast: Martin Kove, Sela Ward, Ronnie Cox.

The Watcher in the Woods (3/3) — **Disney**
MPAA Rating: G — Running Time: 83 mins.,16 secs.
Cast: Lynn-Holly Johnson, Bette Davis, David McCallum.

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Satcom 4, tr. 16	VideoCipher II	Movies, how-to's, special events 24 hours per day, approx. 50 titles per month	Currently serving 16 MSOs nation-wide (40,000 Impulse addressable subscribers)
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	First-run movies, special events.	Available in systems serving 1,000,000 addressable subscribers)
Private Ticket	July 1985	Standalone	None	Two and one-half hours nightly. One original title, plus up to two licensed films edited for Playboy.	Available in systems serving 185,000 subs (139,000 addressable).
Request Television	November 27, 1985	Galaxy 1, tr. 12	VideoCipher II	Min. of four major motion pictures per week over 14 day cycle, special events	Available in systems serving 3.8 million subs. (2.6 million addressable).
Telstar Channels	June 5, 1986	Spacenet 2, tr 1,3,11,23	VideoCipher II	Channel 1: 2 movies per week. Channel 2: Cult favorites, childrens and others. Channel 3: Additional plays of movies 1 & 2 (frequency channel)	Available in systems serving 160,000 subs (60,000 addressable).
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21. VC-2: Galaxy III, tr. 18	VideoCipher II	Channels I & II: First-run movies, special events	Available in systems serving over 3 million subs.

Construction boom won't ease in '88 with $1.422 billion in outlays forecast

Year of the Rebuild seen continuing, pushed by strong demand for 550 MHz, addressability

By Roger Brown

Like a hulking giant rising up after years of slumber, the cable television construction marketplace woke up hungry in 1987. No longer encumbered with rate regulation as of Jan. 1, operators were free to set rates the market would bear.

That paid off handsomely for hardware manufacturers, suppliers, distributors and construction firms as operators slated thousands of miles of rebuild, upgrade and newbuild projects, made economically possible by the rise in rates. From full-line distributors to coaxial cable manufacturers, 1987 has been referred to as the best ever and often called The Year of the Rebuild. According to *CableVision*'s 13th annual survey, the industry spent $1.253 billion on construction services and hardware, building out nearly 22,000 miles of new plant and rebuilding or upgrading almost 43,000 more. (See p. 58 for chart of complete survey results.)

Indeed, it was the biggest capital outlay since the heady days of 1983, when the industry shelled out $1.488 billion on construction. In fact, 1987 was so busy it caught a lot of pundits off guard. Consequently, equipment lead times grew and construction firms suffered from a lack of skilled manpower, forcing MSOs to push back some projects into 1988. Indications are that the industry could have met last year's forecast of $1.423 billion had vendors and suppliers been ready for the increased activity.

However, because so many projects were started late or ended the calendar year incomplete, 1988 is projected to be just as busy as 1987. According to the forecast, MSOs plan to build 26,000 miles of new plant and rebuild or upgrade another 60,000 miles. Total expenditures of $1.422 billion are anticipated, with the lion's share of the money going into new electronics and coaxial cable as operators rush to increase channel capacities and replace old, outdated equipment with new gear to improve picture quality.

'Another strong year'

"We're forecasting another real strong year for us," said Gordon Halverson, executive vice president of the CATV Group at Anixter. The previous 12 months were the best in company history and more of the same is seen for 1988, Halverson said.

Steve Necessary, distribution and subscriber systems marketing manager at Scientific-Atlanta, concurred. "It looks like another good solid year as operators continue to respond to deregulation and work to head off competitive forces," he said. Necessary went so far as to predict a 5 percent to 10 percent uptick in activity in 1988.

But Steve Coffey, marketing manager at Comm/Scope, isn't so sure. He expects 1988 activity to level off and then slacken slightly as operators complete some rebuild programs and concentrate more on electronic upgrades. "But then, we missed last year," he said. "We didn't expect it to be as good as it turned out to be."

The one area that likely will see some falloff from last year's high sales level is subscriber equipment. Converter manufacturers were direct beneficiaries of deregulation as scores of

See **Construction**, *page 50*

Construction, *from page 46*

operators collapsed service tiers and purchased hundreds of thousands of "plain" converters designed to accommodate the additional channels.

Now that most of that has been completed, non-addressable boxes are predicted to fall way off while addressable units gain in popularity, driven by operators who want to deliver pay-per-view events to subscribers. In fact, according to the survey, sales of addressables will amount to about $330 million in 1988, a sign that the converter market continues to hold its own even as sales of "cable-ready" televisions and video cassette recorders climb.

A mix of traditional and new market forces is driving the rebuild and upgrade market to such a high level in 1988. The traditional forces consist of the predictable ones, including equipment age, the quest for additional channel capacity and the routine refranchising cycle of systems built in the early and mid 1970s. But included in the mix this year are growing pressures exerted by competitive forces outside the cable industry and the operators' desire to adapt to the development and implementation of emerging technologies.

The 550 standard

By and large, operators are finding that nothing short of 450 MHz equipment will satisfy their hunger for more channels. In fact, the desire for more bandwidth is forcing a number of complete rebuilds because, depending upon the age and capacity of the plant, 450 MHz can't always be reached via a simple upgrade, where new electronic modules are "dropped in" to existing amplifier mainstations.

Gordon Halverson

Manufacturers of distribution gear note that operators are rebuilding with 450 MHz—and, increasingly, 550 MHz—gear to be certain they won't need more bandwidth in the next five years. According to John Hastings, national marketing manager for CATV products at C-COR Electronics, 550 equipment is gaining popularity with engineers who are concerned that high definition television and other emerging technologies may one day come to cable and consume more bandwidth than standard NTSC channels—and they want the room to handle it.

"They're looking down the road," said Hastings of the operators. "They want to play it safe. They don't want to rebuild again in four or five years." Keith Weil, manager of products and marketing at Magnavox, agreed. "You see some guys going to 550 MHz in anticipation of HDTV's arrival," he

See **Construction**, *page 54*

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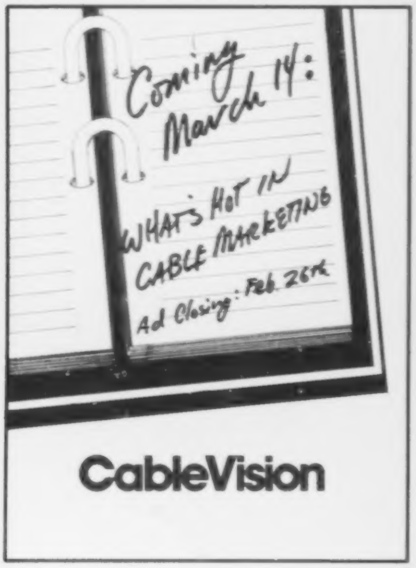


Coming March 14:
WHAT'S HOT IN CABLE MARKETING
Ad Closing: Feb. 26th

CableVision

Construction, *from page 50*

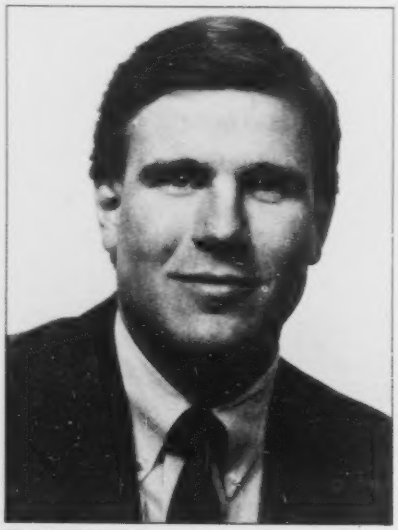
said. And S-A's Necessary predicts that 550 MHz gear will account for 10 percent to 15 percent of the total market this year.

At Comcast, all rebuilds are utilizing at least 450 MHz gear, according to Greg White, Comcast's director of construction, because "the incremental cost of going up from 400 MHz is small," he said. "You might as well give yourself the added cushion of the additional channels because if you need them in another five years, the costs (to add them later) would be absolutely hellacious."

White acknowledged that 550 MHz hardware is gaining favor with him, too. Comcast now is building its portion of Philadelphia to 550 MHz and is "looking at using it elsewhere," he said. "There are people out there who say 40 channels is more than you'll ever need but clearly there are plenty of MSOs who carry fully-loaded 52-channel systems. We like to have some security and extra channels that are unused."

Lots of reasons to rebuild

A lot of rebuilds also are being forced by operators who want to expand channel capacity but discover that the old coaxial cable cannot accommodate the higher frequencies. "Technology often obsoletes cable before age does," said Jack Forde, president of Times Fiber Communications. Back in the '70s, when bandwidth topped out at around 300 MHz, the usable spectrum was limited to just above that figure, said Comm/Scope's Coffey. So now that 450 MHz is the standard a lot of coax has to be changed out.



Steve Necessary

Refranchising negotiations, coupled with concern about overbuilds by competitors, also is fueling a lot of construction activity, according to a number of industry observers. Telephone companies are exerting plenty of muscle in Washington in an attempt to enter the cable business while operators scurry to get their plants in shape in case the political pendulum should swing in the opposite direction.

"Operators are coming in and doing a lot of amplifier and line extender upgrades because of the pressure of overbuilds," said Chris Sophinos, president of Midwest CATV, a distributor of hardware. "The threat of overbuilds is there and operators need to rebuild to 450 or 550 MHz when the plant is in perfectly good shape," said Harry Wahl, vice president of turnkey sales at Cable Services Co.

At Cox Cable, the '88 budget calls for more than 500 miles of newbuild, more than 1,000 miles of rebuild and a heavy upgrade schedule—all driven by franchise renewal pressures and the need for more channels, said Alex Best, vice president of engineering. "We want to be sure we won't get into a situation where we would be a target for an overbuild."

It's going to be a busy year at United Cable Television as well. With two rebuilds already underway and two more to start soon, the total United construction nut will be 30 percent newbuild and the rest evenly divided between rebuilds and upgrades, said Don Karell, corporate construction manager.

But for those operators who have the foresight to upgrade their systems to state-of-the-art, just getting the equipment is often a struggle. A number of MSOs and distributors are reporting long lead times for feedforward, power doubling and other electronics utilizing advanced technology. Others are finding it difficult to locate strand, traps and certain types of taps in sufficient quantities to satisfy immediate demand.

"There's no question that delivery dates from the date of order are at least 30 days extended from what they were last year at this time," making lead times as long as 60 to 90 days, said Tom Polis, executive vice president of Communication Construction Group.

In their defense, hardware vendors are making an effort to catch up to the demand but are wary of ramping up their production schedules should the market flatten out. The memories of 1983-84, when so many vendors were caught with excess inventory, are still fresh in their minds.

John Hastings

"It's been a race all year long to keep up," said C-COR's Hastings. The electronics firm has hired back a number of employees in anticipation of the increased demand and is trying to catch up. Scientific-Atlanta has expanded its production capabilities and reports lead times of six to eight weeks, according to Necessary. Magnavox is targeting 30-day delivery times and at Zenith, demand has caught up with capacity, said Vito Brugliera, vice president of marketing and product planning for the cable products division.

In fact, technological advances actually have contributed to the longer lead times, said Bob Young, director of product marketing for Jerrold's distribution systems division. "In the past it was easier" to keep up because everything used conventional technology. But now with feedforward, power doubling and quadra power electronics available, "the combinations have taken a simple product and made it much more complex," said Young. Consequently, Jerrold has to forecast much more carefully to avoid building excess inventory of the wrong product.

Holding back for fiber

However, not everyone is on the rebuild bandwagon. Some operators are showing reservations about investing in huge amounts of new coax and electronics because of unanswered questions about the future of fiber optics and HDTV. American Television and

See **Construction**, *page 60*

Construction forecast

New plant construction (in miles)

	1987	1988
Underground	7,412	8,714
Aerial	14,463	17,376
Total	**21,875**	**26,090**

Estimated costs, newbuild construction ($ in thousands)

	1987	1988
Antennas and towers	$ 2,752	$ 3,475
Microwave equipment	5,615	7,091
Headend equipment	16,734	21,133
Line amplifiers	29,899	37,757
Cable—trunk and feeder	48,381	61,098
Cable—drop	31,349	39,589
Taps and outlets	45,294	57,200
Traps	15,396	19,442
Earth stations	5,392	6,809
Commercial insertion equipment	6,991	8,829
Other studio and mobile production gear	15,246	19,254
Construction services (design, make-ready, etc.)	10,822	13,666
Construction labor and equipment	138,003	174,276
Total	**$371,874**	**$469,619**

Replacement Plant construction — upgrades and rebuilds (in miles)

	1987	1988
Underground	11,418	16,212
Aerial	31,462	44,402
Total	**42,880**	**60,614**

Estimated costs, replacement plant construction ($ in thousands)

	1987	1988
Antennas and towers	$ 4,665	$ 6,595
Microwave equipment	6,997	9,892
Headend equipment	21,021	29,718
Line amplifiers	66,881	94,593
Cable—trunk and feeder	73,295	103,621
Cable—drop	19,884	28,069
Taps and outlets	30,379	42,949
Traps	10,029	14,179
Construction labor and equipment	58,397	82,559
Total	**$291,548**	**$412,175**

Estimated costs, subscriber equipment ($ in thousands)

	1987	1988
Converters, non-addressable	$268,396	$189,320
Converters, addressable	303,404	329,959
Off-premise addressable systems	N/A	N/A
Add-on components (VCR interface, FM hookup, remotes, impulse PPV gear, etc.)	17,924	21,637
Total	**$589,724**	**$540,916**
Grand Total	**$1,253,146**	**$1,422,710**

The results of this survey are derived from a sampling of MSOs and manufacturers, and are estimates based upon information supplied to *CableVision*. All numbers and company references have been held in strict confidence.

Construction, *from page 54*

Communications, the second-largest MSO, often has stated publicly its intention to do upgrades instead of rebuilds. "For some time I've been an advocate of avoiding rebuilds whenever possible because they're so damned inefficient and expensive," said Jim Chiddix, vice president of engineering. "We believe it even more strongly now that we see how fiber may help us in the future."

ATC has been extensively researching the feasibility of installing fiber "backbones" in its larger systems to reduce the number of amplifiers in cascade, which improves plant performance, increases reliability, lowers maintenance costs and increases bandwidth. The system probably is several months away, but ATC stands poised to use it and won't invest in coax where it doesn't have to, said Chiddix.

Although they won't go as far as ATC's position, a number of other operators admit that developments in emerging technologies like fiber and HDTV nag at their consciences. But because so many questions are unanswered, those systems that need to be rebuilt are getting immediate help.

All the attention fiber is getting has forced Cox engineers to be more conservative in their decision-making, said Best. "The hype about fiber is being driven by concern that the phone company is getting ever so close to having fiber in the home," said Best, "and the cable industry is scared that we'll be caught with an old technology that can't compete.

Greg White

"The one thing that all the hype has done to Cox is there is a hint of more conservatism," added Best. The engineering staff is now finding situations where an upgrade might be a better financial decision than a rebuild. "In those cases, we'll probably upgrade to 400 MHz rather than rebuild to 550 MHz even though we know we can fill all 54 channels," Best said.

"We're seeing a small reduction in demand because of the wait-and-see attitude," said Jack Forde, president of Times Fiber Communications. "But you know what? They (MSOs) don't know what they're waiting for, so how do you know how long to wait? By delaying, you increase the appetite of the guy who wants to do an overbuild."

Regardless of its eventual use, it is clear that fiber is gaining prevalence in point-to-point applications, such as the delivery of satellite signals from a downlink to a headend site. Contractors have noticed an increased interest in fiber optics and some are even adding personnel with fiber installation experience.

"If there's any change from last year, I think it's the input of a new (fiber) technology," said Polis. "A lot of people are, at the very least, designing their systems for eventual fiber implementation."

Cable Services' Wahl is bullish about fiber's potential in CATV. "We're getting ready for the day when fiber takes over," he said. "It won't be in 1988, but we think that toward the end of the decade and into the '90s that fiber will be a major force."

In addition to providing cost savings by precluding amplifiers, delivery of signals via fiber will increase a system's performance parameters, noted Chiddix of ATC. And this year, more than most, better pictures is the goal of every MSO worried about competition from VCRs, fiber and HDTV.

"With more definition, degradation of the pictures is going to be a more important consideration," said Dave Willis, director of engineering at Tele-Communications Inc. "So I think it tends to push up the performance parameters you design for. You want better carrier-to-noise ratios and lower intermods (distortions in the picture), among other things."

"The quality issue became dramatically more critical in 1987," said Anixter's Halverson, "and we expect it to be even more important in 1988." He noted that sales of the Raychem drop connector, which sells for about four times as much as a low-end F-connector, grew exponentially as operators became concerned about signal leakage and committed to delivering better pictures. "And it's not just F-fittings—people are using cable with higher braid content and better shielding, too," said Halverson.

'By delaying, you increase the appetite of the guy who wants to do an overbuild.'

—Jack Forde,
Times Fiber
Communications

But finding quality construction personnel is getting tougher, according to Polis, who has found it difficult to find skilled splicers. "Retrofits (rebuilds) are splicing intensive," he explained. "You're dealing with active plant and you have to do a lot of miles in a day. So you have an extensive use of the splicing talent that's available and there's just not as much as there used to be."

Although many are afraid to admit it out loud, all signs are pointing to another explosive year for the construction marketplace. The struggle for more channels, better pictures and the roll out of PPV in more systems promises to fuel a high level of sales throughout 1988. And emerging technologies, which will require new electronics and perhaps even more spectrum, may keep things booming well into the 1990s. ■

Industry Growth

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	72,460,000	42,725,000	48	26,022,000	29
1986	87,800,000	69,632,000	41,772,000	47	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Cable barometer

Television households (TVHH)	87,800,000
Homes passed by cable (HP)	69,632,000
Percent of TVHH passed by cable	79.3%
Basic cable subs	41,772,000
Percent of TVHH with basic cable	47.5%
Percent of HP with basic cable	59.9%
Pay cable subs	24,101,000
Percent of TVHH with pay cable	27.4%
Percent of HP with pay cable	34.6%
Percent of basic subs with pay cable	57.6%

Satellite Lineup

Satcom III-R (RCA Americom)

	Transponder
Arts & Entertainment	24
BET	20
Cable Radio Network	4
Cable Value Network	12
Cinemax (West)	23
ESPN (Blackout)	7
Financial News Network	4
Genesis Storytime	3
HBO (West)	13
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
National Jewish Television	18
QVC Network	8
Reuter Monitor Service	18
Showtime (West)	10
Tempo Sound	6
Tempo Television	6
Tempo Text	6
The Travel Channel	16
Trinity Broadcasting Network	3
TV Decisions	24
USA Network (West)	9

Satcom IV (RCA Americom)

	Transponder
Alternate View Network	10
American Movie Classics	10
America's Value Network	5
Biznet	6
Bravo	2
The Fashion Channel	14
Gospel Music Network	3
Hit Video USA	18
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Liberty Broadcasting Network	7
Madison Square Garden Network	6
The Motivation Network	3
Movietime	17
National Black Network	19
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	24
Prime Ticket	20
The Silent Network	23V
SportsChannel-New England	23
SportsVision	9
WPIX—New York	19

Westar III (Western Union)

	Transponder
CNN	5

Westar IV (Western Union)

	Transponder
Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
National Christian Network	2
International Television Network	10D
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2

Westar V (Western Union)

	Transponder
Fantasy Unrestricted Network (FUN)	24
FUN Weekend Pay-per-view	24
Moody Broadcasting Network	7D
Pro-Am Sports System (PASS)	8
The University Network	2
Zephyr Weather Information Service	7D

Telstar 303 (AT&T)

	Transponder
American Exxxtasy	19
KTVT (Ft.Worth)	20

Galaxy I (Hughes)

	Transponder
CBN Cable Network	11
Cinemax (East)	19
CNN	7
Country Music Television	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
Electra	18
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Headline News	8
The Inspirational Network	17
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
Request Television	12
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
SIN	6
Tempo Text	18
USA Network (East, Central)	21
Video Mall Network	22
WGN	3
WOR-TV	15
WTBS	18

Galaxy III

	Transponder
C-SPAN	24V
C-SPAN II	14V
Eternal Word Television Network	10
Home Premiere Television	16
National Shopping Club	23
The Meadowlands Racing Network	17
MTV Music Television	17
Nick At Night	19
Nickelodeon	19
Sky Merchant	11
Video Hits One (VH1)	15
Viewer's Choice 1+2	21,18

Spacenet I (GTE)

	Transponder
ACTS	15
SelecTV	13

Note: A company name in parentheses following a service or network designates the transponder owner.

Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	MSO	Basic subs	Homes passed	Pay units	
1.	TCI	5,200,000	N/A	N/A	(12/87)
2.	ATC	3,695,000	6,482,000	3,032,000	(12/87)
3.	Continental	1,556,000	2,780,000	1,648,000	(12/87)
4.	Storer Cable Comm.	1,453,000	2,452,900	1,202,000	(12/87)
5.	Cox Cable Comm.	1,438,057	2,480,662	1,487,647	(12/87)
6.	Warner	1,405,349	2,682,884	1,196,763	(12/87)
7.	Comcast	1,200,000	2,300,000	1,070,000	(12/87)
8.	United Cable	1,155,638	2,116,911	871,877	(12/87)
9.	Newhouse Broad.	1,060,759	1,641,576	1,033,936	(12/87)
10.	Viacom Cablevision	1,058,000	N/A	758,000	(12/87)
11.	Heritage Comm.	1,026,224	N/A	786,740	(12/87)
12.	Cablevision Systems	988,000	N/A	N/A	(12/87)
13.	Jones Intercable	978,526	1,516,842	735,776	(12/87)
14.	Times Mirror Cable	918,480	1,616,724	631,225	(12/87)
15.	Sammons Comm.	826,819	1,352,882	638,979	(12/87)
16.	UA Cablesystems	780,593	1,260,974	659,453	(10/87)
17.	Century Comm.	680,400	N/A	N/A	(3/87)
18.	Paragon Comm.	651,000	1,257,000	485,000	(10/87)
19.	Cooke Cablevision	618,900	1,003,105	334,384	(12/87)
20.	Cablevision Industries	591,428	924,106	421,771	(12/87)
21.	Daniels & Assoc.	590,618	1,008,069	652,623	(12/87)
22.	Adelphia Comm.	581,114	883,234	403,349	(12/87)
23.	American Cablesystems	535,038	1,193,034	740,981	(12/87)
24.	Telecable	533,256	842,496	N/A	(12/87)
25.	Rogers Cablesystems	529,708	1,129,097	501,200	(12/87)
26.	Centel Cable	521,428	866,488	365,789	(12/87)
27.	Scripps-Howard	430,990	800,000	280,000	(10/87)
28.	Wometco Cable	395,679	667,726	239,368	(12/87)
29.	Falcon Cable Corp.	379,000	537,000	260,000	(2/87)
30.	Post-Newsweek	374,275	564,466	258,235	(9/87)
31.	Prime Cable	353,362	776,018	423,307	(12/87)
32.	TCA Group	335,023	454,000	130,227	(10/87)
33.	Multimedia	304,610	568,018	263,779	(1/88)
34.	Telemedia	304,610	468,000	137,374	(12/87)
35.	Maclean Hunter Cable	296,969	598,274	408,466	(11/87)
36.	Colony Comm.	274,986	488,960	264,692	(10/87)
37.	Rifkin & Assoc.	260,000	404,000	138,500	(10/87)
38.	Lenfest Group	259,240	531,624	263,397	(11/87)
39.	Western Comm.	249,096	336,410	128,345	(12/87)
40.	TKR Cable	235,204	383,194	280,544	(11/87)
41.	Communications Service	210,000	N/A	N/A	(12/86)
42.	Service Electric Cable	205,000	N/A	N/A	(11/87)
43.	TCI-Taft	197,853	284,423	125,708	(8/87)
44.	Hauser Comm.	190,973	481,503	228,517	(12/87)
45.	Cencom Cable	181,397	N/A	N/A	(12/87)
46.	Media General	162,063	250,978	239,703	(12/87)
47.	Harron Comm.	157,051	225,044	141,674	(11/87)
48.	Greater Media	154,305	247,284	148,645	(12/87)
49.	Sutton Capital Corp.	152,053	276,983	159,921	(11/87)
50.	First Carolina	146,395	248,636	72,656	(10/87)
51.	Palmer Comm.	143,101	200,180	69,368	(10/87)
52.	Armstrong Utilities	141,989	185,812	89,623	(11/87)
53.	Essex Comm.	136,540	206,000	89,387	(11/87)
54.	Marcus Comm.	135,766	177,357	57,957	(11/87)
55	U.S. Cable Corp.	135,247	297,825	125,026	(11/87)
56.	Summit Comm.	124,900	201,661	95,267	(1/88)
57.	Cable Systems USA	123,826	181,061	38,466	(12/87)
58.	Simmons Comm.	114,816	243,340	114,365	(10/87)
59.	Columbia Intl.	114,232	220,522	112,354	(9/87)
60.	Northland Comm.	114,025	182,985	47,288	(12/87)
61.	Bresnan Comm.	113,783	162,862	45,409	(11/87)
62.	Harte-Hanks Comm.	113,344	263,447	108,890	(12/87)
63.	King Videocable	112,829	N/A	66,503	(10/87)
64.	Sonic Comm.	111,585	225,530	99,659	(8/87)
65.	Multi-Channel TV Cable	110,134	149,695	46,689	(9/87)
66.	Booth Comm.	106,779	153,929	64,481	(10/87)
67.	Scott Cable	106,277	140,000	53,812	(7/87)
68.	Star Cablevision	103,733	168,906	51,794	(11/87)
69.	ML Media Partners	99,556	173,914	80,235	(12/87)
70.	Susquehanna Broad.	94,168	130,531	65,914	(12/87)
71	James Comm.	92,184	124,732	38,252	(8/87)
72.	McDonald Group	90,079	N/A	N/A	(8/84)
73.	Omega Comm.	90,000	119,125	52,000	(11/87)
74.	WEHCO Video	89,078	127,608	49,088	(12/87)
75.	Coaxial Comm.	84,859	N/A	N/A	(9/87)
76.	United Video	84,034	126,271	71,783	(9/87)
77.	Midcontinent Cable	83,331	69,071	20,861	(11/87)
78.	Pencor Services	83,281	93,100	34,858	(8/87)
79.	C-4 Media	69,482	115,904	33,269	(10/87)
80.	Masada Corp.	69,120	146,034	55,248	(10/87)
81.	Enstar Comm.	68,546	107,341	27,112	(11/87)
82.	Selkirk Comm.	68,000	124,000	55,600	(10/87)
83.	Chambers Comm.	61,471	N/A	N/A	(12/87)
84.	Mountain Cable	59,336	79,850	33,257	(9/87)
85.	Insight Comm.	55,018	124,342	38,934	(10/87)
86.	Cardinal Comm.	54,800	77,800	31,500	(11/87)
87.	North American Comm.	54,606	84,455	16,113	(12/87)
88.	Hearst Comm.	52,892	105,781	47,235	(11/87)
89.	State Cable TV	51,490	N/A	33,812	(12/87)
90.	Helicon Corp.	50,000	77,000	18,214	(12/87)
91.	Dowden Comm.	49,391	89,376	29,563	(8/87)
92.	Galaxy Cablevision	49,006	107,944	27,357	(9/87)
93.	Commonwealth Cable Systems	48,020	77,200	75,400	(11/87)
94.	Joseph Gans Cable TV	46,532	N/A	N/A	(11/86)
95.	New England Cablevision	46,296	65,700	33,551	(10/87)
96	Prestige Cable	44,558	N/A	N/A	(11/87)
97.	CableAmerica	44,000	N/A	N/A	(1/88)
98	Telesat Cablevision	43,601	77,831	26,478	(12/87)
99	Douglas Comm.	43,597	75,400	24,000	(1/88)
100.	Acton Corp.	38,500	130,611	52,773	(10/87)

Subscriber counts are provided by MSOs and systems to *CableVision* magazine. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1109, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	San Diego, CA	Cox Cable	291,914	(12/87)
2.	Woodbury (Long Island), NY	Cablevision Systems Corp	290,438	(12/87)
3.	Manhattan, NY	ATC	242,000	(12/87)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	195,644	(11/87)
6.	Puget Sound, WA	Viacom	195,000	(12/87)
7.	Honolulu, HI	ATC	187,000	(12/87)
8.	Phoenix, AZ	Times Mirror	184,921	(12/87)
8.	Houston, TX	Warner Cable	183,432	(12/87)
10.	Hartford/Plainville/Vernon, CT	United Cable	169,333	(12/87)
11.	Louisville/Jeff. Co., KY	Storer Communications	158,544	(12/87)
12.	Wayne, NJ	UA Cablesystems	158,104	(10/87)
13.	Cincinnati, OH	Warner	157,332	(12/87)
14.	Englewood, CO	United	156,257	(12/87)
15.	Rochester, NY	ATC	154,000	(12/87)
16.	Hampton Roads, VA	Cox Cable	153,820	(12/87)
17.	Tulsa, OK	United	151,818	(12/87)
18.	Atlanta, GA	Prime Cable Corp.	149,697	(12/87)
19.	Fairfax, VA	Media General	147,149	(11/87)
20.	St. Louis Co., MO	Cencom Cable	145,876	(12/87)
21.	Cherry Hills, NJ	NYT	145,075	(7/87)
22.	Orlando, FL	ATC	143,500	(6/87)
23.	Jacksonville, FL	Continental Cablevision	143,000	(12/87)
24.	Kansas City, MO	ATC	137,000	(12/87)
25.	Buffalo, NY	Adelphia Communications	131,776	(12/87)
26.	San Jose/Campbell, CA	Gill Cable	131,600	(1/88)
27.	Baltimore County, MD	Comcast	130,000	(10/87)
28.	Manhattan, NY	Paragon Cable	126,000	(9/87)
29.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
30.	Charlotte, NC	ATC	125,000	(12/87)
31.	Seattle, WA	Tele-Communications Inc	125,000	(12/86)
32.	Long Island, NY	Viacom	119,000	(12/87)
33.	San Diego, CA	ATC	119,000	(12/87)
34.	San Francisco, CA	Viacom	117,000	(12/87)
35.	Austin, TX	ATC	115,000	(12/87)
36.	Pompano, FL	American Cablesystems	111,422	(11/87)
37.	Warren, NJ	TKR	107,511	(11/87)
38.	Richmond, VA	Continental	107,000	(12/87)
39.	Toledo, OH	Blade Communications	105,470	(10/87)
40.	San Juan, PR	ML Media Partners	104,757	(12/86)
41.	Jefferson Parish/Kenner, LA	Cox Cable	100,879	(12/87)
42.	Dallas, TX	Heritage	100,355	(12/87)
43.	Southeast Michigan	Comcast	100,031	(10/87)
44.	Wilmington, DE	Heritage	99,150	(12/87)
45.	Grand Rapids, MI	UA Cablesystems	96,817	(10/87)
46.	Escondido, CA	Times Mirror	95,374	(12/87)
47.	Raleigh/Durham, N.C.	ATC	95,000	(12/87)
48.	Dade/Broward, FL	Storer	94,173	(12/87)
49.	Pinellas County, FL	Vision Cable	93,920	(9/87)
50.	Indianapolis, IN	Comcast	92,000	(10/87)
51.	Tacoma, WA	Viacom	92,000	(12/87)
52.	Boston, MA	Cablevision Co.	88,324	(12/87)
53.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
54.	Nashville, TN	Viacom	86,000	(12/87)
55.	Worcester Complex, MA	Greater Media	85,083	(12/87)
56.	Pittsburgh, PA	TCI	85,000	(12/86)
57.	Naples, FL	Palmer Communications	84,307	(10/87)
58.	Greensboro, NC	ATC	84,600	(12/87)
59.	Orange County, CA	Times Mirror	83,504	(12/87)
60.	Harrisburg, PA	Sammons Communications	81,589	(12/87)
61.	Las Vegas, NV	Prime Cable	81,204	(12/87)
62.	South Texas, TX	Heritage	80,604	(12/87)
63.	Dover, Morristown, NJ	Sammons	80,327	(12/87)
64.	Milwaukee, WI	Warner	80,000	(9/87)
65.	New Orleans, LA	Cox Cable	78,942	(12/87)
66.	Baton Rouge, LA	Daniels & Assocs.	78,888	(12/87)
67.	South Bend, IN	Heritage	77,963	(12/87)
68.	Akron, OH	Warner	77,202	(12/87)
69.	Indianapolis, IN	ATC	77,000	(12/87)
70.	Cook County, IL	Continental	76,000	(12/87)
71.	Oakland County, MI	United	75,874	(12/87)
72.	Columbus, OH	Warner	75,774	(12/87)
73.	Allentown, PA	Service Electric	75,000	(9/87)
74.	Cleveland Heights, OH	Viacom	75,000	(12/87)
75.	Flint, MI	Comcast	75,000	(10/87)
76.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
77.	Medford Complex (Boston Suburbs), MA	Warner	74,043	(12/87)
78.	Providence/Warwick, RI	Times Mirror	73,415	(12/87)
79.	Omaha, NE	Cox Cable	72,825	(12/87)
80.	Contra Costa Co. CA	Televents	72,252	(10/87)
81.	Fayetteville, NC	ATC	72,000	(12/87)
82.	Ocean County, NJ	Adelphia	71,744	(12/87)
83.	Lower Fairfield Co., CT	Cablevision Co.	71,168	(12/87)
84.	Oklahoma City, OK	Cox Cable	70,366	(12/87)
85.	Santa Monica, CA	Century	69,900	(12/86)
86.	Des Moines, IA	Heritage	69,721	(12/87)
87.	Little Rock, AR	Storer	69,121	(12/87)
88.	Hillsborough, FL	Paragon	69,000	(9/87)
89.	St. Petersburg, FL	Paragon	69,000	(9/87)
90.	Lincoln, RI	Heritage	68,608	(12/87)
91.	Greater Bridgeport, CT	Cablevision Co.	68,506	(12/87)
92.	New Haven, CT	Storer	67,363	(12/87)
93.	Birmingham, AL	ATC	67,000	(12/87)
94.	Syracuse (suburbs), NY	NewChannels Corp.	66,952	(12/87)
95.	Winston-Salem, N.C.	Summit Communications	66,245	(1/88)
96.	El Paso, TX	Paragon	66,000	(9/87)
97.	Sarasota, FL	Storer	65,155	(12/87)
98.	Monterey, CA	Western	64,987	(12/87)
99.	Charleston, S.C.	Storer	64,252	(12/87)
100.	W.San Fernando Valley, CA	Cablevision Industries	63,580	(12/87)

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CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

FEBRUARY 29, 1988

SIDE:
PLETE GUIDE
LE PROGRAMMERS

BRAD LINKED TO THEFT PROBE

EXCLUSIVITY IS HERE: NOW WHAT?

CLEARING THE FOG AROUND FIBER

UTILITIES PLUGGING INTO CABLE

COMCAST ANSWERS THE CELLULAR CALL

A NEW SIGN OF MATURITY: COMING OF AGE WITH FIRST-RUNS

PROD. Cable Grows Up
ROLL 1
SCENE 5
TAKE 4
DIRECTOR CableVision
CAMERA
DATE 2/29/88
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FRONT LINE

Brad under probe 8
A U.S. attorney, the FBI and IRS all are looking into alleged irregularities at converter repair company Brad Cable. The company denies any wrongdoing, but reports allege that thousands of boxes altered to receive pay channels were sold on the black market.

Cool to exclusivity 11
Cable operators have been demanding exclusivity from the programmers, but now that HBO and others are offering just that, many MSOs are having second thoughts. Price is one concern, but the structure of the deal seems most on operators' minds.

The Orion war 12
Sumner Redstone and John Kluge are puzzling Wall Street with what is shaping up as a battle for independent studio Orion.

A NuStar spotted 12
An impending merger between Tom Wheeler's NuCable Resources and Gerry Lenfest's StarNet could create an imaginative new promotion service.

The CAB report 13
It's become an annual fixture, CAB's *Cable Facts* booklet chock full of statistics and figures. This year's puts cable ad revenue at $1.1 billion, up 23 percent.

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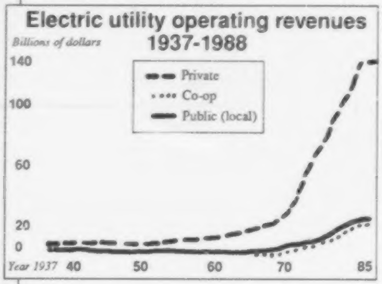
MEDIA WATCH

Clearing the fiber fog 14
All the ominous rumblings about fiber optics by the telcos have sent chills through the cable establishment. And many have supposed that the telcos are ready to spring that mousetrap on cable now. But an examination of technology shows cable isn't eating dust and in fact has cogent arguments to maintain the cross-ownership ban.



LAW AND REGULATION

Seeing the utility of cable 17
Speaking of wolves at the door (see above), the electric utilities around the country also have been taking a look at cable and have concluded they know a thing or two about the business. And they don't have the regulatory hoops to jump over that the telcos face. They're already here, collectively qualifying as a Top 20 MSO, and may plan to bring more power to bear.

PROGRAMMING

Looking at the NCM lineup 21
April is just around the corner and so is National Cable Month. Planners of the event have put together a potent programming lineup, which we detail hour-by-hour. Get ready to "Discover Our Difference."

HSN TVs to air prime shows

National Cable Month lineup features fare from 23 networks

BUSINESS AND FINANCE

Desperately seeking cellular 89
Comcast has just dialed up a $230 million cellular telephone deal that sets a new price plateau and may establish a trend linking cable to the squiggley car antenna crowd. It's silly to look at it this way, but Comcast is paying $15,000 per sub for the cellular company.

New life in convertible bonds 90
The convertible bond market is supposed to be dead, but Comcast has breathed new life into that corpse with a $125 million zero coupon offering, the first of its kind since the stock market crash in October.

Cable Grows Up
ROLL
SCENE
TAKE
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DIRECTOR
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DATE 2/29/88
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—Photo by Candace Drake. Facilities provided by Camera Mart, New York.

COVER STORY

Growing up in first-run S6
Cable is known for its original thinking, and nowadays that certainly applies to the creativity that the programming services are showing in first-run shows. Co-productions are way up, simultaneous airings in different windows are the rage, and exclusive first-runs are filling schedules. The message is that the programmers are growing up.

BETWEEN THE LINES

Relishing a good fight, Roy Speer presses on

A tired Roy Speer rubs at the angry red sores on the backs of his hands. "Cancers," he says flatly. "I had them cut off."

Speer says he got the melanomas from days out on the Gulf deep sea fishing, one of his favorite sports. He created Home Shopping Network, launched it on uncertain seas and hooked the business equivalent of the big marlin he once fought eight hours before pulling into his boat.

But now HSN is battling cancers of its own, and Speer, a big man who seems to relish a big fight, is attacking HSN's problems the same way he attacked the blotches on his hands: Find out what's wrong and cut it off.

A mammoth telephone system which HSN contends hung up on as many as half of all callers was surgically excised and replaced. Faced with a huge merchandise inventory, Speer and HSN President Lowell Paxson applied a tried-and-true radiation theraphy: Slash prices to move the goods.

But now another carcinogen is threatening HSN. Its stock, which soared in eight months from $3 to $47, reversed course and plunged to around $4 when word of the telephone problem spread and sales well below expectations were reported.

This transpired while HSN was raising $100 million through the sale of bonds, an offering which HSN claims has been cornered by California arbitragers and turned into the largest short-sell position in the history of Wall Street. The arbitragers, Speer believes, intend to hold down the stock price so the bonds can be converted to as much as 20 percent of HSN's common. That could happen as early as April 22, the first reset date in the bond offering.

It is not with the cool detachment of a surgeon that Speer recites this history. His face shows tenacity and his eyes narrow as he lays out HSN's strategy for reigniting sales growth and increasing market share. He says that on March 1 HSN will open a direct credit office; that in six months HSN will launch its own credit card; that it plans to widen its position in financial planning to offer brokerage services in the Dallas/Houston area; and that an announcement is pending about a deal with a Top 5 mail order pharmaceutical firm.

"Our cash position is around $48 million," Speer says. "We're seriously looking at all our bonds and at partners. We're examining the market entirely."

HSN held an MSO affiliates meeting in Clearwater, Fla., last week. The MSO executives were taken on guided tours of HSN's operational centers and shown the silent, whirring computers that are the nervous system of Speer's selling machine. It was an impressive display.

Usually in the business world, analysts and investors make decisions much the same way Speer's computers field telephone calls: rapidly and with mechanical detachment. But occasionally it helps to come face to face with the human behind the P-and-L sheets, to get a gut feeling numbers alone cannot convey.

At a banquet during the MSO gathering, Paxson bounds to the microphone and, pointing a finger in the air, predicts "a billion in '88!" Roy Speer continues chewing a moment, then nods his head slowly but firmly.

He just may do it.

—Steve Tuttle
Editor and Associate Publisher

CableVision

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February 29, 1988
Volume 12, Number 38

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INTERNATIONAL THOMSON COMMUNICATIONS INC.

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. Feb. 29, 1988, Volume 12, Number 38. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

Film product comparison-March

Film	Pay Networks	Distributor
36 Hours	MAX	MGM/UA
The 500 Pound Jerk	ST	Universal
52 Pick-Up	(ST) TMC	Cannon
84 Charring Cross Road	HBO	Columbia
About Last Night...	HBO (MAX)	Tri-Star
Above and Beyond	ST	MGM/UA
Absence of Malice	HBO	Columbia
Act of Love	MAX	Paramount
Adventures of the Action Hunter	TMC	Troma
Adventures of Hajji Baba	MAX	20th Century-Fox
Adventures of Mark Twain	ST (DIS)	Atlantic
Adventures of the American Rabbit	DIS	Clubhouse Pictures
After Hours	HBO (MAX)	Warner Bros.
Alfie	TMC MAX	Paramount
All Hands on Deck	MAX	20th Century-Fox
All the Best, Steve Allen	MAX	Castle Hill
All the Brothers Were Valiant	DIS	MGM/UA
All the Rivers Run Part 1-4	HBO	Crawford
Always	MAX	S. Goldwyn
Amadeus	(ST) TMC	Paramount
An American in Paris	TMC (DIS)	MGM/UA
And the Children Shall Lead	DIS	Wonderworks
Angel Heart	MAX	Tri-Star
Anything Goes	ST TMC	Paramount
Apocalypse Now	HBO TMC	MGM/UA
Armed and Dangerous	(HBO) MAX	Columbia
Arthur	(TMC) MAX	Warner Bros
Assassination	ST (TMC)	Cannon
At Close Range	HBO (MAX)	Hemdale
At Sword's Point	DIS	RKO
Avenging Force	ST (TMC)	Cannon
Back to the Future	TMC (MAX)	Universal
Badge of the Assassin	TMC	Coca Cola
Baja Oklahoma	HBO	HBO
Bamboo Brush	ST	LCA
The Barefoot Executive	DIS	Disney
The Bedroom Window	ST TMC	DEG
The Best	ST	Satori
The Bible in the Beginning	HBO	20th Century-Fox
The Bible	(ST) DIS	20th Century-Fox
The Big Fisherman	DIS	Buena Vista
The Biggest Bundle of Them All	(ST) TMC	MGM/UA
Bill Cosby-'Himself'	(HBO) TMC (MAX)	20th Century-Fox
Birch Interval	HBO	Vestron
The Black Arrow	MAX	Columbia
Black Widow	HBO (ST) (TMC)	20th Century-Fox
Blake Edwards' 'A Fine Mess'	HBO	Columbia
Blood Ties	ST	Showtime
Blue City	(ST) TMC	Paramount
Bolero	MAX	Cannon
Booker	DIS	New Images
Born American	TMC	New Century
The Boy Who Could Fly	HBO (DIS) (MAX)	Lorimar
The Boy Who Loved Trolls	DIS	Wonderworks
The Brass Ring	ST	Film Gallery
Brave Little Toaster	DIS	Disney
Breaking Away	TMC (MAX)	20th Century-Fox
Brighton Beach Memoirs	HBO (ST) (TMC)	Universal
Bring on the Night	MAX	S. Goldwyn
The Buddy Holly Story	(HBO) MAX	Columbia
Care Bears Movie II	HBO DIS	Columbia
The Carey Treatment	(ST) TMC	MGM/UA
Cat Ballou	MAX	Columbia
Charlotte Forten's Mission	DIS	Pride Entertainment
The Cheyenne Social Club	(ST) (TMC) MAX	Warner Bros.
Children of a Lesser God	(ST) TMC	Paramount
Choke Canyon	(HBO) MAX	UFD
Chopping Mall	MAX	Concorde
The Chosen	DIS	20th Century-Fox
The Clan of the Cave Bear	HBO (MAX)	Warner Bros.
The Color of Money	(ST) TMC	Touchstone
The Color Purple	HBO	Warner Bros.
Condorman	DIS	Disney
Convoy	MAX	MGM/UA
Country	HBO	Disney
Critters	HBO (MAX)	New Line
Crocodile Dundee	ST (TMC)	Paramount
Cross Creek	ST	Viacom
Crossroads	HBO (MAX)	Columbia
Dance With a Stranger	TMC	Goldwyn
Dancing in the Dark	DIS (MAX)	20th Century-Fox
Dangerous Moves	TMC	Centerpoint
Deadtime Stories	MAX	Cinema Group
Desert Hearts	(TMC) MAX	S. Goldwyn
The Dirty Dozen	(ST) TMC MAX	MGM/UA
Dirty Tricks	HBO	Mutual
Do You Love Me?	MAX	20th Century-Fox
Don't Go Near the Water	ST (TMC)	MGM/UA
Don't Make Waves	(ST) TMC	MGM/UA
The Dresser	MAX	Columbia
Duet For One	ST	Cannon
Dusty	HBO	Castle Hill
Elopement	DIS	20th Century-Fox
Emmanuelle IV	(ST) (TMC) MAX	MGM/UA
End of the World Man	DIS	Miramax
Ernest Goes to Camp	ST TMC	Touchstone
Eve Knew Her Apples	MAX	Columbia
Evil Under the Sun	ST	Viacom
Exorcist II	HBO	Warner Bros.
The Exorcist	HBO (MAX)	Warner Bros.
Extremities	ST (TMC)	Atlantic
Fantastic Adventures of Unico	DIS	Sanrio
Ferris Bueller's Day Off	(ST) TMC	Paramount
Fiddler on the Roof	TMC DIS MAX	MGM/UA
First Affair	MAX	Televentures
First Nudie Musical	ST	Art Greenfield
First Steps	DIS (MAX)	Televentures
Firstborn	ST	Paramount
The Fly	HBO TMC (MAX)	20th Century-Fox
The Fourth Wish	DIS	Pacific Intl.
Foxes	HBO (MAX)	MGM/UA
Freckles	DIS	20th Century-Fox
Free Ride	MAX	Galaxy Int.
Friday the 13th Part IV	(ST) TMC	Paramount
From Disney, With Love	DIS	Disney
The Gambler	(TMC) MAX	Paramount
The Glass Bottom Boat	ST (TMC) (MAX)	MGM/UA
Gold is Where You Find It	TMC	MGM/UA
The Golden Child	(ST) TMC	Paramount
Golden Girl	MAX	20th Century-Fox
The Good Father	TMC	Skouras
Good Girls Go To Paris	MAX	Columbia
The Good Wife	ST	Atlantic
Gorky Park	(TMC) MAX	Orion
The Great Gatsby	(HBO) TMC (MAX)	Paramount
The Great Train Robbery	MAX	MGM/UA
Gulliver's Travels	HBO (DIS)	Miramax
The Gun That Won the West	MAX	Columbia
Gunfighters	MAX	Columbia
Half Moon Street	ST	Showtime
Hamad and the Pirates	DIS	Network
Hamburger The Motion Picture	(HBO) MAX	Feldman/Meeker
Hannah and Her Sisters	HBO (MAX)	Orion
Harry & Son	MAX	Orion
Haywire	MAX	Warner Bros.
Heartbreak Ridge	(HBO) MAX	Warner Bros.
Heaven Help Us	MAX	Silver Screen
Her Husband's Affairs	MAX	Columbia
The Hit	TMC	Columbia
The Hitcher	MAX	Silver Screen
The Hobbit	DIS	MGM/UA
Hockey Night	(HBO) ST	Cinar Films
Hollywood Cavalcade	DIS	20th Century-Fox
Hollywood Vice Squad	(HBO) TMC	Cinema Group
Hot Child in the City	MAX	Fox/Lorber
Hot Resort	HBO	Cannon
House of Dries Drear	DIS	Wonderworks
The Housekeeper	HBO	Castle Hill
Howard the Duck	(HBO) (ST) (TMC) MAX	Universal
Hunk	TMC (MAX)	Crown Int'l.
I Accuse!	ST	MGM/UA
I Know Why the Caged Bird Sing	ST	Viacom
If Ever I See You Again	HBO	Columbia
'Immortal Sergeant'	MAX	20th Century-Fox
In Cold Blood	MAX	Columbia
Invitation to Dance	TMC	MGM/UA
J.O.E. and the Colonel	ST	Universal
The Jewel of the Nile	HBO ST (MAX)	20th Century-Fox
Jocks	TMC MAX	Crown
Joy of Mykonos	ST	Cal Vista
Julia	(ST) TMC (MAX)	20th Century-Fox
Jumpin' Jack Flash	HBO (ST) (TMC) (MAX)	20th Century-Fox
Just Between Friends	HBO (TMC) (MAX)	Orion
Kid Colter	(HBO) DIS	The Movie Store
The Kid From Left Field	DIS	20th Century-Fox
The Killing Machine	ST (TMC)	Lorimar
Kismet	(ST) DIS (MAX)	MGM/UA
Kiss of the Spider Woman	(ST) TMC	Embassy
Kit Carson and the Mountain Men	DIS	Disney
Lady Jane	ST (TMC)	Paramount
Lady L	TMC	MGM/UA
Laguna Heat	HBO	Laguna Heat
Land Raiders	MAX	Columbia
The Last Hurrah	(DIS) MAX	Columbia
Law vs. Billy the Kid	MAX	Columbia
Legal Eagles	TMC (MAX)	Universal
Lethal	HBO (TMC)	Cinema Gr.
Lethal Weapon	HBO MAX	Warner Bros.
Like Mom, Like Me	HBO	Televenture
Like Normal People	(ST) TMC	20th Century-Fox
Link	MAX	Thorn-Emi
The Lion of Africa	HBO	Lois Luger
Lisa	MAX	20th Century-Fox
Little Boy Lost	DIS	Adler Video Mktg
Little Shop of Horrors	HBO	Warner Bros.
Loneliness of the Long Distance Runner	MAX	Warner Bros.
The Long Dark Night	MAX	Warner Bros.
Long Day's Journey Into Night	ST	Showtime
The Longshot	HBO (ST) TMC (MAX)	Orion
Lucky 13	(HBO) MAX	Wescom
Lucky Lady	HBO (TMC)	20th Century-Fox
Lust For Life	TMC MAX	MGM/UA
Lust in the Dust	MAX	New World
Madame X	TMC	Universal
A Man and a Woman	TMC (MAX)	Warner Bros.
A Man For All Seasons	MAX	Columbia
Maria's Lovers	HBO	Cannon
Mary White	DIS	UPA
Maryland	DIS	20th Century-Fox
Master of Ballantrae	MAX	Columbia
Maximum Overdrive	(ST) TMC	DEG
The McKenzie Break	MAX	MGM/UA
Meet Me After the Show	DIS	20th Century-Fox
Miracles of Spring	DIS	Disney
Missing in Action	(HBO) MAX	Cannon
Missing in Action 2	MAX	Cannon
The Money Pit	(HBO) (ST) (TMC) MAX	Universal
Moonlight	ST	Universal
The Morning After	HBO (MAX)	Lorimar
The Most Dangerous Man Alive	MAX	Columbia
Mrs. Soffel	MAX	MGM/UA
Munchies	HBO	MGM/UA
My Favorite Wife	DIS	RKO
Mystery at Fire Island	ST	Scholastic
Never Too Young to Die	(TMC) MAX	S. Goldwyn
Night of the Creeps	MAX	Tri-Star
The Night of the Iguana	(ST) TMC	MGM/UA
The Night Stalker	HBO	Almi Picture
Nightmare on Elm Street 3	HBO ST TMC	Universal
Nights in White Satin	MAX	Fox/Lorber
Nightside	ST (MAX)	Universal
No Big Deal	ST	Film Gallery
Nob Hill	MAX	20th Century-Fox
Number One With A Bullet	ST TMC	Cannon
Oliver's Story	HBO	Paramount
Once Bitten	HBO ST (TMC) (MAX)	Goldwyn
One Crazy Summer	HBO (MAX)	Warner Bros.
One in a Million	DIS	20th Century-Fox
Out of Africa	(HBO) TMC (MAX)	Universal
Over the Top	HBO (MAX)	Warner Bros.
A Passage to India	DIS MAX	Thorn-Emi
A Patch of Blue	TMC	MGM/UA
The Patriot	HBO (MAX)	Crown
The Peanut Butter Solution	DIS	HBO
Peggy Sue Got Married	HBO (MAX)	Tri-Star
The Pilot	HBO	Orbis
Pin Up Girl	MAX	20th Century-Fox
The Pink Chiquitas	ST (TMC)	Fox/Lorber
Pirates of Blood River	MAX	Columbia
Playing For Keeps	(HBO) ST (TMC)	Universal
Prisoner of Shark Island	DIS	20th Century-Fox
The Prisoner of Zenda	(ST) DIS MAX	MGM/UA
The Professionals	MAX	Columbia
Project X	HBO ST TMC	20th Century-Fox
Psycho III	(ST) (TMC) MAX	Universal
Quiet Cool	ST	Universal
Raging Bull	(ST) TMC (MAX)	MGM/UA
Raising Arizona	ST TMC MAX	20th Century-Fox
Ratboy	HBO	Warner Bros.
Raw Deal	ST	DEG
Red Line 7000	ST	Paramount
Return of Monte Cristo	MAX	Columbia
Return of Horror High	MAX	New World
A Room With A View	(ST) TMC	Paramount
A Royal Scandal	MAX	20th Century-Fox
Runaway Train	ST TMC	Cannon
Ruthless People	ST	Touchstone
Safe Harbor	HBO	Orbis
The Sandpiper	ST (MAX)	MGM/UA
Save the Dog	DIS	Disney
Saving Grace	MAX	Columbia
The Schooner	DIS	Cori Film Intl.
Secrets of a Mother and Daughter	HBO	Columbia
Serpico	TMC	Paramount
Seven Brides for Seven Brothers	TMC (DIS) MAX	MGM/UA
Seven Minutes in Heaven	(HBO) MAX	Warner Bros.
Shattered Vows	MAX	J. Phillips
Ship of Fools	MAX	Columbia
The Silent One	(ST) DIS	Satori
Silver City	HBO	S. Goldwyn
Simply Irresistable	ST	Essex
Sky Above, The Mud Below	MAX	Centerpoint
The Sky's No Limit	HBO	Lorimar
Sleepaway Camp	TMC	UFD
Slumber Party Massacre	TMC	Viacom
Smoky	DIS	20th Century-Fox
Solarbabies	HBO	MGM/UA
Solomon Northrup's Odyssey	DIS	Pride Entertainment
Something Special	MAX	Cinema Group
Something Wild	(ST) (TMC) MAX	Orion
Sons and Lovers	MAX	20th Century-Fox
The Spanish Main	DIS	RKO
Sparkle	MAX	Warner Bros.
Springtime in the Rockies	MAX	20th Century-Fox
Stage Door	MAX	RKO
A Star is Born	MAX	Warner Bros.
Star Trek IV	ST TMC	Paramount
State Fair	(DIS) MAX	20th Century-Fox
The Sterile Cuckoo	HBO	Paramount
Streets of Gold	HBO (TMC) (MAX)	20th Century-Fox
Submission	ST (TMC)	U.S. Media
Summer Stock	ST (DIS) (MAX)	MGM/UA
Susan, Susan	DIS	Marcarelli
Sweet Bird of Youth	TMC MAX	MGM/UA
Teacher, Teacher	(ST) TMC	Henry Jaffe
That Darn Cat	DIS	Disney
Three Amigos!	HBO (MAX)	Orion
Three Came Home	MAX	20th Century-Fox
Thunder in the Valley	DIS	20th Century-Fox
To Be Or Not To Be	ST MAX	20th Century-Fox
To Sir, With Love	MAX	Columbia
Top Gun	ST TMC	Paramount
Top Hat	DIS	RKO
Touch and Go	MAX	Kings Road
Tough Guys	ST (TMC)	Touchstone
The Tracker	HBO	HBO Pictures
Travels With My AUnt	TMC	MGM/UA
Treasure Island	ST	Warner Bros.
The Trip to Bountiful	TMC	Embassy
True Grit	TMC (DIS) (MAX)	Paramount
Twist and Shout	MAX	Miramax
Two Seconds	ST	MGM/UA
Valley of Kings	ST	MGM/UA
Wanted Dead or Alive	MAX	New World
When the Boys Meet the Girls	(ST) TMC	MGM/UA
Who Am I This Time	DIS	Rubicom Film Prod.
Who's Been Sleeping in My Bed?	MAX	Paramount
The Winter of Discontent	MAX	Lorimar-Tel.
A Winter Story	HBO	Miramax
Witchboard	HBO TMC	New Century
Witchfire	HBO	Vestron
The World According To Garp	HBO (MAX)	Warner Bros.
You Can't Go Home Again	MAX	Televentures
You're in the Navy Now	MAX	20th Century-Fox
Young Lady Chatterly II	ST	Blum Group
Young Sherlock Holmes	ST TMC	Paramount

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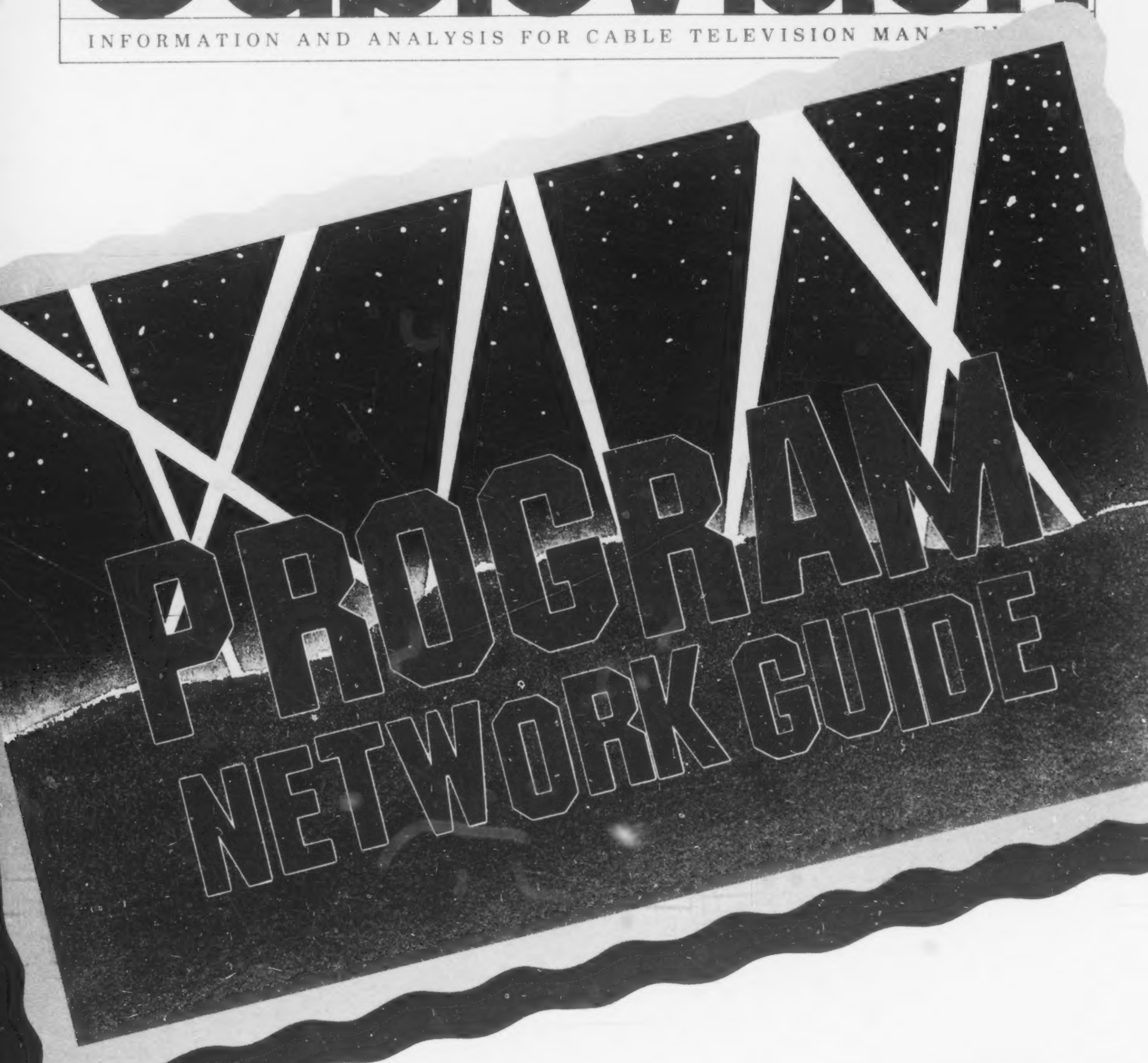
CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MAN



PROGRAM NETWORK GUIDE

The complete reference work on cable networks

NATPE INTERNATIONAL
25 Annual
PROGRAM CONFERENCE

PROGRAM GUIDE TABLE OF CONTENTS

CableVision

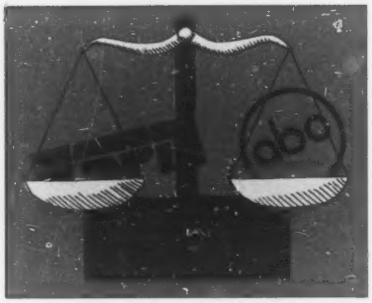
GETTING ORIGINAL WITH FIRST-RUN

Booming along with the basics **S6**
Cable frequently breaks the programming mold, and it's doing so again in a big way with first-run shows. But be forewarned: What you might think is a first-run—that is, the first time any eyeball has seen it—doesn't always apply here, because basic networks approach the subject with original thinking. Co-productions are way up, simultaneous airings are hot, and networks are learning to get a lot of hours out of small, but growing budgets.

1
THE RECIPE TIRE RUN

FINDING A NEW BALANCE

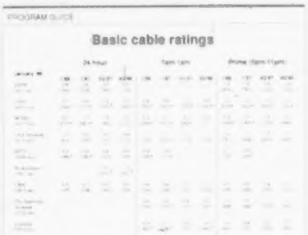
The A-B-Cs of ESPN **S10**
Here's a shocker: Based on a cash flow analysis, some basic cable networks are worth as much as one of the Big Three. Take ESPN, for example, with its $60 million in cash flow. Multiply that by 16, which is the going rate in cable, and you have about $1 billion. That's a price which many believe that ABC could be had for if it could be separated from its owned TV stations. And the broadcast networks don't receive carriage fees, they *pay* for their clearances.



ABOUT THE GUIDE

Rolodexes do tend to get out of date. So with that in mind, *CableVision* set out to provide its readers with an up-to-date telephone book of the cable network universe. The basics, the pays, the regional sports services, the PPV networks and a host of new ones still on the drawing board—they're all here, all 160 or so.

RATINGS, RATINGS, RATINGS



Basic cable ratings

Doing the Nielsen dance **S11**
Car 54, where are you? Well, you're atop the ratings heap at Nick At Nite. TBS's Award Theater deserves an award for its 4.9 rating. Victory at Sea wins the ratings war at A&E with a 2.5 number. And let's go to the videotape, where Big Ten College Basketball dunks home a 3.2 for ESPN, that network's best. USA has a hammer lock on a 3.6 number with wrestling on Mondays. Get out your people meters to check out the Top 5 rated shows on the dozen largest basic networks.

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> *'In the past the reputation for cable has been low budgets, but the industry is changing fast.'*
>
> —Harry Young,
> CBN program development director

Original thinking in first-runs

By Wayne Friedman

Cable programming always seems to defy categorization. And first-run shows aren't an exception, resisting definitions that fit neatly in other media settings.

For some cable programmers, a first-run show could be a natural history documentary already broadcast in England or Australia. For others, it could be a drama series made in Canada for simultaneous airing in many countries. A home-grown talk or variety show, such as The Nashville Network's *Nashville Now* or USA Network's *Robert Klein Time*, is another form.

In the end, says Andrew Orgel, Arts & Entertainment's vice president of sales and marketing, "whether it is co-produced or acquired, it really doesn't matter.... It still results in a first-run program on U.S. television. The ultimate user, the viewer, really doesn't care. He (only) cares," Orgel adds, "if it's a good program and if it's worth the time watching."

However they are defined, investments by basic cable programmers in first-run endeavors, in all forms, have climbed considerably over the last few years. Growing in popularity are co-venture arrangements with BBC or Canadian producers, who incur a major chunk of production costs. Those programs are then simultaneously broadcast in different international windows. Some home-grown cable productions, such as Nickelodeon's *Double Dare* or MTV's *Remote Control*, also are reaping the rewards of increased investments.

While few first-run programs can by themselves lift a network's ratings or increase its penetration level, "original programming is your signature," says Gerry Hogan, president of Turner Entertainment Network. To gain attention on a crowded dial, many cable networks have been forced to buy or produce first-run product in order to keep subscribers satisfied. Witness relatively small (14.5 million subs) Tempo Television, which is making a push to produce first-run programs. Where once it almost exclusively rented transponder time to producers, Tempo now is airing its own talk shows, such as one sports-oriented program with ex-Olympian Rafer Johnson.

It's no mystery where the bucks for such expensive shows are coming from. Penetration nationwide is steadily climbing past 50 percent, translating into additional carriage fees as well as higher advertiser revenues.

Sprinting into first-run

ESPN, like many others networks, has benefited from this new financial strength. In 1988, 4,000 out of ESPN's 8,760 hours of broadcasting will be first-run and/or live programming. That's up from 1,800 hours in 1980. Other networks are making similar gains. USA Network will have 34½ hours of first-run shows this year, compared with 13½ in the '86-'87 season and 4½ in '85-'86. Lifetime has 11 shows it calls first-run. CBN now has six shows. Both of those networks' first-run programs are up from the previous years.

> While few first-run programs can by themselves lift a network's ratings or increase its penetration level, 'original programming is your signature.'
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> —Gerry Hogan,
> Turner Entertainment Network

Of The Discovery Channel's total

programming, 70 percent is U.S. premieres, 20 percent have had other domestic windows and 10 percent are world premieres. Almost all of its U.S. first-run shows have been acquired from foreign producers, with Discovery running the product months or years after its initial release. But Suzanne Hayes, senior vice president of program acquisitions and development for the network, promises more programming will be devoted to co-venture deals in the future, which will mean more timely U.S. airings. For the first time ever, Hayes notes, Discovery has a budget allocated for developing programming as opposed to acquisitions.

When the basic cable networks consider jumping into first-run, documentaries often are where they land. In contrast to producing sitcoms or dramas, productions costs for documentaries are fixed, says Tim Cowling, Discovery's vice president of production. He says costs ride up to $500,000 an hour for a

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First-run shows on the networks include, top left, Dwight Yoakam, left, country western singer, with Ralph Emory, host of Nashville Now*; top right, TBS's Roy Scheider* Portrait of the Soviet Union*; and above, Robert Klein, left and comedian Jay Leno, from* Robert Klein Time.

Basic, *from page S7*

blue-chip natural history documentary; an average show would be priced in the $250,000 to $500,000 per hour range. TBS's Hogan says *Jacques Cousteau's Rediscovery of the World* series is budgeted on even higher levels, much like first-run syndication or network. For an hour of programming, that could range from $800,000 to over $1 million.

While Cousteau's episodes recover their cost through aftermarkets in syndication, home video and elsewhere, the first-run pay-back for producers selling to The Discovery Channel as well as A&E is simultaneous or near simultaneous broadcast windows in Canada, England, Australia and other countries.

A&E, for instance, has been active for some time in this area, acting as co-producer on projects like the new production of the hour-long, BBC-shared series, *All Creatures Great and Small.* A&E has multi-year "output" deals with the BBC where it commits upfront a signficant sum for a set amount of hours. The BBC handles the majority of the production chores, while A&E, as co-producer, makes production changes in the later stages of the projects for American consumption. A&E typically invests up to 50 percent of the production costs in these deals, and these investments continue to expand.

Its investments in programming are so large that "we don't make as big a profit as Nashville, USA or any of the others. We are a smaller business, but we hope the programming is high quality and high enough percentage of first-run that we have a niche of being a valuable network," says Orgel.

These days as its investment grows, says Orgel, the network's role as a co-producer is becoming more involved. For its new series *Pulaski: The TV Detective*, A&E chose the star of the show, David Andrews, as well as making changes in the final edition seen in the U.S. In the future, Orgel says, A&E will have more to say about plots and subject matter prior to production.

The Discovery Channel also is ramping up its investment in the race for first-run programming. Following up on its most notable achievement to date, last year's, *Russia: Live From the Inside*, Discovery this May will air a co-production with the BBC called *Reef Watch: Live From the Red Sea.* A three-hour show—two hours live from beneath the Red Sea—the program will explore what experts say is the greatest coral in the world, as well as the surrounding natural environs of the Middle East.

Big bucks for yuks

And it isn't just documentaries and nature specials receiving big budgets. Basic networks also are spending heavily for drama and sitcoms. TBS's *New Leave It To Beaver* from MCA was one of the original, first-run sitcoms to be aired on cable from a major Hollywood studio. Harry Young, director of program development for CBN Cable, says MCA is spending per episode what it would spend if it were for first-run syndication, in the $300,000 to $500,000 range per half-hour. Experts guess the show is heavily deficit financed. The reasoning is cable usually can't pay the heavy license fee to producers that the broadcast networks can. But one marketing professional says when the deal was made, Ted Turner, thinking he could afford top-level Hollywood product, might have made a rash decision to overspend for the show.

In any case, Young says the MCA-TBS deal was an indication of the studios' desire to produce more first-run product for cable because of the industry's growing viability and financial strength. Last year CBN signed a now-void multi-million dollar production deal with the now-extinct Coca-Cola Telecommunications. Young hopes now that two of Cokes' televison executives with ties to the cable community,

1
THE RECIPE TIRE RUN

Nickelodeon's Double Dare

Tony Lynn and Joe Abrams, now at MGM/UA, will push for new cable co-venture deals at that studio.

Differing strategies

"In the past the reputation for cable has been low budgets, but the industry is changing fast," says Young. CBN production budgets for shows like the new series *Crossbow: The Adventures of William Tell* that debuted this season, have risen more than 60 percent from previous programs such as *The Campbells* and *Butterfly Island*. This fall CBN will be presenting more new half-hours *Rin Tin Tin* (a working title) and *Bordertown*, a venture that includes Columbia Pictures Television as a co-producer. "They all have tremendous production values. At least the equal of first-run syndication," says Young. By 1990, CBN's goal is for an entire prime time daypart filled with first-time programming.

Like the two-year-old series *The Campbells*, CBN's new projects are produced in Canada. But unlike that show they are shot on 35mm film, not the inexpensive 16mm. Young says in addition to more money being stuffed into co-ventures, the network also will retain a piece of the U.S. domestic syndication pie in these deals. Previously, such shows were contracted as a straight license deal from the producer.

The Nashville Network takes a different tack in airing first-run programming. It doesn't fund any co-productions with overseas producers and, except for some minor exceptions, it doesn't syndicate product domestically or internationally. Production budgets, therefore, tend to be tighter. It's costliest show, *Wish You Were Here*, goes for $50,000 per half-hour because of the big expenses entailed in producing a program about travels in a recreational vehicle. Its signature 90-minute strip talk show, *Nashville Now*, runs on a slim $100,000 a week. Other shows like *Crook & Chase* and *This Week in Country Music* go for $5,000 a half-hour. Lloyd Werner, senior vice president of sales and marketing for Group W Satellite Communications, which markets and sells the network, says production costs are low compared to other networks because it already has constructed a $50 million television production center in Nashville that churns out most of its programming. Few other basic cable networks own production facilities. Adding to TNN's list of new shows in the coming year will be *American Magazine*, a first-run daytime strip scheduled for April 1988, plus a companion travel piece to *Wish You Were Here* called *Side By Side*.

Because The Nashville Network saturates itself with almost 100 percent first-run programming, its shows are repeated several times to make the dollar last. *Wish You Were Here*, for instance, runs on Sunday at 11:30 a.m., 4:30 p.m., 9 p.m. and 1:30 a.m. *Country Kitchen* airs Saturdays at 10:30 a.m., 3 p.m., 7 p.m. and 10 p.m.

Still, efficiency is what counts. Even against other networks' acquired product, The Nashville Network claims an appealing bottom line. Asks Group W's Werner: "*Cagney and Lacey* has been running on Lifetime with a 1 rating, paying $100,000 an episode. We're getting a 2 rating with *Nashville Now* for 90 minutes, paying $100,000 a week to produce. Who's got the better deal?"

Depending on the number of runs per episode for *Cagney and Lacey*, those comparisons might not be entirely correct, but Werner's point is made, that big-ticket programming, first-run or off-net, isn't for every cable programmer.

Priming the pump

MTV Networks takes yet another view of what first-run fare means to cable. Past syndication dollars from MTV's *Top 20 Countdown* and future revenue from Nickelodeon's *Double Dare*, say MTV executives, will generate a bigger dollar pool for new first-run shows.

The company already has been moving forward into new program areas. Early this season, MTV aired its first game show, *Remote Control*, which reportedly has been earning high 2 ratings. Following up on the success of *Double Dare*, this season Nickelodeon has come out with *Finders Keepers*, another kids game show which has been earning even better ratings than its predecessor. Now with many kids live action programs under its belt, Nickelodeon is venturing into animation with new episodes of *Count Duckula*, a co-production with Cosgrove Hall, a unit of Thames Television. Geraldine Laybourne, executive vice president and general manager of Nickelodeon and Nick At Nite, says this is another step forward for the network because animation is more expensive to produce than live action, thus representing a big investment to the network. Currently, all Nickelodeon animated programming is acquired. Overall, half of Nickelodeon's programming is bought, half is first-run.

Like other cable networks with limited resources, MTV Networks projects take a longer time to nuture and mature than programs for broadcast networks or first-run syndication. *Duckula*, for instance, started development in 1985 and premiered Feb. 1. "We are spoiled by that," says Laybourne. There are other first-run projects in the oven that might not hit the airwaves for a couple of years, she says. One project is a series based on a Nick At Nite experiment some months back about sitcoms written and sometimes acted by viewers.

Hanging in there

Cable networks, unlike broadcasting networks, can't afford to order four or five episodes of a series and then cancel. For cable it means giving programming a longer shot at making the grade once it comes time to air. The two-year-old *Robert Klein Time* on USA has done just that, growing from a 0.7 Nielsen HomeVideo Index number in January '87 to a 1.1 rating in January '88. More skits and guests, says Monia Joblin, vice president of original programming for USA Network, are elements that have given the program a new profile and a bigger audience. "We can't afford to produce two episodes" and cancel, she says. For first-run projects, USA Network usually commits to at least 13 weeks.

Cable, however, isn't immune to failure. Lifetime's *Way Off Broadway* couldn't make it as a live Monday to Friday variety show. TBS' early attempts at sitcoms, *Down to Earth*, *Safe At Home* and *Rocky Road*, although having longer runs than *Way Off Broadway*, no longer grace the schedule. The Nashville Network sitcom, *I-40 Paradise*, also didn't have staying power.

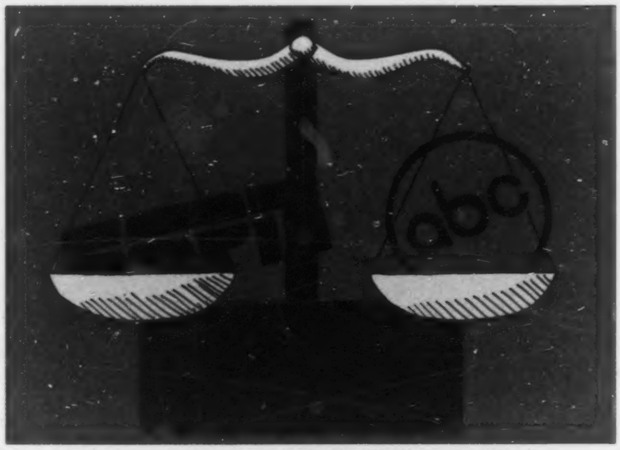
With this as a backdrop, it's no wonder that some cable programmers are cautious. Although USA Network is producing more original programming, first-run still doesn't have priority over acquired product, says its senior vice president of programming, Dave Kenin. "If it is better business for us, then we would like to produce a lot of original programs," he says. But high profile off-network programs still provide "a vital and central role to our strategy," he adds.

TBS' Hogan sees first-run programming slowly increasing over time for his network. The big and expensive MGM movie library will go a long way to providing programming for the superstation for the next few years. And instead of producing sitcoms in the

See **Basic**, *page S10*

The wealth of basics rival Big 3

By Virginia Munger Kahn



Which network is more valuable, ABC or ESPN? ABC, right? Wrong.

ESPN probably is worth just as much as its parent corporation's flagship broadcasting network. According to long-time industry analyst Dennis Leibowitz, of Donaldson Lufkin & Jenrette, ESPN probably is worth about $1 billion. He bases that in part on how much investors were willing to pay for Cable News Network—16 times cash flow—when discussions about its potential sale were held with NBC and Rupert Murdoch.

ESPN had 1987 cash flow of $60 million. Using the 16 times multiple yields an imputed value of $960 million, almost one-third of what Capital Cities paid for all of ABC, the network and stations. In fact, $1 billion probably is more than anyone would pay for the ABC network itself, which earned just $50 million last year, says Leibowitz.

It is that kind of value that is propelling NBC's interest in the cable programming field, and it signifies the growing financial clout of the basic cable networks within the investment community and their ability to compete for high-quality programming.

The numbers that lend credence to Leibowitz' report are startling. In 1987, he notes, basic networks such as CNN, ESPN and MTV combined were expected to earn as much on an operating basis as the three networks did in 1986—$250 million compared to $270 million. While revenues reported by the basic networks last year are substantially less than the broadcast networks'—$1.3 billion vs. $7 billion—the superior operating margins of the basics translate into nearly equal operating income for the two businesses.

Industry observers caution that Leibowitz is comparing one of the broadcasting industry's worst years to one of the cable industry's best. This year, in fact, Leibowitz projects that the three broadcast networks will have operating income of $600 million to $700 million, compared to $325 million to $350 million for the basic cable networks. Nevertheless, the overall trend is one in which the basic networks will continue gaining financial strength and value at the expense of the broadcast networks.

There are several themes in the basic networks' promising story:

- **Low cost structure**. CNN, for example, produces 24 hours of news each day on a $100 million annual budget. The broadcast networks each spend about $300 million on news divisions that receive a fraction of that air-time.
- **Cable networks control more of their own programming**. Because of the financial interest and syndication rules, the broadcast networks are heavily dependent on Hollywood for much of their material. As Herb Granath, president of Capital Cities/ABC Video Enterprises, said in a recent *CableVision* roundtable: "The broadcast industry is still the only industry that I know of where $8 billion to $10 billion is laid on the table and contracts are signed and product is produced before there is a dime of revenue in the pocket."
- **Healthy subscriber fees**. Rate cards are going up, and operators seem willing to increase their commitments to the basic networks.
- **Ad revenues are climbing**. Projections are for increases of at least 16 percent to 18 percent annually for the next five years.

Tom Freston, president of MTV Networks, says "the beauty of having two revenue streams is that the cable fees are predictable and stable. Advertising clearly has the upside, but it also has a downside. It's volatile."

The bottom line is that while the broadcast networks operate on 4 percent margins, the cable networks' margins are close to 20 percent.

The big question now is how much these profitable, valuable networks will be willing to spend on programming. Today, the difference between the programming commitments of the basic networks compared to the broadcasters is vast—$1.7 billion in 1987 compared to a projected $5 billion for the three networks. That gap is expected to close as the basic networks acquire and produce more valuable programming. ■

Basic, *from page S9*

Rocky Road vein, come this fall TBS will air old off-network warhorses *Laverne and Shirley* and *Alice*. In the fall of 1989 there will be additional sitcom purchases. Why? "They are less expensive and more efficient," says Hogan. This is not because of the company's current financial condition, he adds, just prudent and keen programming strategy. But TBS will continue to mix in first-run *Audobon*, *National Geographic Explorer* and Cousteau nature series, as well as running documentary specials like *Portrait of the Soviet Union*.

The decision to buy first-run programming should not be analyzed in a vacuum. For many programmers, off-net programs are still a staple that can push first-run shows as their lead-ins. As one industry expert says, off-net product gets viewers into the candy store. "It's easy to attract the audience's attention with the older shows," says USA's Joblin. Once they are in, you hope viewers sample the first-run programming as well.

Now, that type of sampling is happening more often. First-run shows like *Double Dare* or Lifetime's *Dr. Ruth Show* have developed their own following. Networks such as A&E see this kind of programming as the key to their future survival, not willing to give it up at any price. CBS, for instance, offered $2.5 million for A&E's series, *Pulaski*; A&E turned the offer down.

Still, for cable, nothing is automatic—not even high-priced, first-run, programming that everyone seems to want. Cable programmers merely are doing their own tightrope act. Says Orgel: "We ride the balance between providing as much first-run programming as possible and raising ratings, because there is no direct relationship between the window of a product and its viewership." ■

Top five regularly scheduled shows

A&E Network

1. *Victory at Sea* (Wednesdays, half hour 8 p.m.) - 2.5
   Churchill: The Valiant Years (Wednesdays, half hour, 8:30 p.m.) -2.5
2. *World War I* (Saturdays, half hour, 8 p.m.) - 1.4
   A&E Journeys (Mondays, hour, 8 p.m.) - 1.4
3. *A Walk through the 20th Century* (Wednesdays, hour, 10 p.m.) - 1.3

CBN

1. *Ironhorse* (Saturdays, hour, 1 p.m.) - 3.3
   Laredo (Saturdays, hour, 4 p.m.) - 3.3
   Alias Smith & Jones (Saturdays, hour, 2 p.m.) - 3.3
2. *Big Valley* (Saturdays, hour, 12 noon) - 3.2
   Gunsmoke (Saturdays, hour, 3 p.m.) - 3.2

The Discovery Channel

1. *Wonders of Western Australia* (Fridays, 1 hour, 9 p.m.) - 1.7
2. *World Alive* (Saturdays, half hour. 10 p.m.) - 1.5
   Animals of the Great Northwest (Mondays, half hour, 9 p.m.) - 1.5
   Orphans of the Wild (Mondays, half hour, 9:30 p.m.) - 1.5
3. *Small World* (Fridays, hour, 10 p.m.) - 1.4
   Wild Refuge (Tuesdays, half hour, 10:30 p.m.) - 1.4
4. *Lost Kingdoms* (Monday, half hour, 10 p.m.) - 1.3

ESPN

1. *Big Ten College Basketball* (Mondays, approx. 2 hours, 9 or 9:30 p.m.) - 3.2
2. *Big East College Basketball* (Mondays, approx. 2 hours, 7 or 7:30 p.m.) - 2.5
3. *NFL Gameday* (Sundays, half hour, 11:30 a.m.) - 2.3
4. *Budweiser Truck and Tractor Pulling* (Sundays, 1 hour, 3:30 p.m.) -2.2
5. *Top Rank Boxing* (Fridays, 2 hours, 9 p.m.) - 2.0

Lifetime

1. *Movie* (Saturdays, 2 hours, 5 p.m.) - 1.9
2. *Lady Blue* (Saturdays, hour, 3 p.m.) - 1.5
3. *Jack & Mike* (Saturdays, hour, 4 p.m.) - 1.2
4. *Kay O'Brien* (Saturdays, hour, 2 p.m.) - 1.1
5. *Movie* (Mon-Fri, 2 hours, 9 p.m.) - 1.0

MTV

1. *Club MTV* (Mon-Fri, half hour, 5:30 p.m., Mon-Thur, 11 p.m., Saturday 6:30 p.m.)
2. *Remote Control* (Mon-Fri, half hour, 12 noon & 7 p.m.)
3. *Top 20 Countdown* (Saturdays, half hour, 4 p.m., Fridays 8 p.m., Sundays 11 a.m.)

The Nashville Network

1. *Country Kitchen* (Saturdays, half hour, 10:30 a.m., 3, 7, 10 p.m.) - 3.4
2. *Nashville Now* (Mon-Fri, 90 min., 8 p.m.) - 3.1
   This Week In Country Music (Saturdays, half hour, 3:30, 7:30, 11:30 p.m.) -3.1
3. *Wish You Were Here* (Sundays, half hour, 1:30 a.m., 4:30, 9 p.m., 1 a.m.) - 2.9
4. *Bass Masters* (Sundays, half hour, 9:30 a.m., 1:30, 10 p.m.) - 2.7
5. *Grand Ole Opry Live* (Saturdays, half hour, 8:30 p.m.) - 2.5

Nick At Nite

1. *Car 54* (Mon-Fri, half hour, 10:30 p.m.)
2. *Laugh-In* (Mon-Fri, half hour, 10 p.m.)
3. *Mr. Ed* (Mon-Fri, half hour, 8:30 p.m.)

Nickelodeon

1. *Finders Keepers* (Mon-Fri, half hour, 6:30 p.m.) -2.5*
2. *Double Dare* (Mon-Fri, half hour, 7:30 p.m.) - 2.5*
3. *You Can't Do That On Television* (Mon-Fri, half hour, 4 & 7 p.m.) -2.0*

TBS

1. *Award Theater* (Sundays, 2 hours, 10:35 a.m.) - 4.9
2. *Championship Sports* (Saturdays, 2 hours, 6:05 p.m.) - 3.8
3. *Prime One Movie* (Mon-Sun, 2 hours, 8:05 p.m.) - 3.3
   NBA (Tues & Fri, 2 hours plus, 8:05 p.m.) - 3.3
4. *Andy Griffith* (Mon-Fri, half hour, 7:05 p.m.) - 3.2

USA Network

1. *Wrestling* (Mondays, 2 hours, 9 p.m.) - 3.6
2. *Wrestling* (Sundays, 1 hour, 12 noon) - 3.2
3. *Sunday Cartoon Express* (Sundays, 4 hours, 8 a.m.) - 2.5
   Tales of the Gold Monkey (Sundays, 1 hour, 6 p.m.) - 2.5
4. *Airwolf* (Mon-Fri, 1 hour, 7 p.m.) - 2.4
   The New Mike Hammer (Saturdays, 1 hour, 7 p.m.) - 2.4
5. *Airwolf* (Sundays, 1 hour, 5 p.m.) - 2.2
   Double Trouble (Saturday, half hour, 5 p.m.) - 2.2
   The Ray Bradbury Theatre (Saturdays, half hour, 10:30 p.m.) - 2.2

VH-1

1. *Story of Rock & Roll* (Saturday, half hour, 10:30 a.m.)
2. *Sunday Brunch* (Sundays, 4 hours, 9 a.m.)
3. *New Visions* (Sundays, 2 hours, 1 p.m.)

Ratings according to January Nielsen HomeVideo.
MTV Networks did not disclose ratings per episode. Nickelodeon ratings are industry estimates.

Basic cable ratings

January '88	24 hour				7am-1am				Prime (8pm-11pm)			
	1/88	1/87	4Q'87	4Q'86	1/88	1/87	4Q'87	4Q'86	1/88	1/87	4Q'87	4Q'86
ESPN (46.1 mn)	0.8 (368)	0.8 (328)	0.9 (380)	0.5 (216)	—	—	—	—	1.9 (876)	1.9 (781)	2.6 (1160)	1.4 (570)
CNN (44.0 mn)	0.7 (304)*	0.8 (353)*	0.9 (392)[a]	0.7 (266)*	0.8 (353)*	0.9 (347)*	1.0 (457)[a]	0.8 (308)*	1.2 (529)*	1.2 (462)*	1.3 (564)[a]	1.0 (416)*
WTBS (43.7 mn)	2.0 (874)*	1.7 (683)*	1.6 (684)	1.6 (620)	2.4 (1049)*	2.1 (844)*	2.0 (844)	2.0 (762)	3.2 (1398)*	2.7 (1085)*	2.6 (1128)	2.2 (860)
USA Network (41.6 mn)	1.0 (416)	0.9 (326)	0.9 (367)	0.8 (272)	1.3 (540)	1.1 (404)	1.2 (474)	1.0 (334)	1.9 (791)	1.2 (448)	1.6 (640)	1.3 (445)
MTV (39.8 mn)	0.5 (198)*	0.6 (198)*	0.6 (239)	0.6 (195)	0.6 (238)*	0.8 (265)*	—	—	0.7 (278)	0.8 (265)	—	—
Nickelodeon (38.2 mn)	—	—	0.9 (344)[b]	1.0 (303)[b]	—	—	—	—	—	—	—	—
CBN (38.2 mn)	0.5 (195)	0.7 (238)	0.5 (184)	0.9 (299)	0.6 (234)	0.9 (306)	0.7 (257)	1.1 (356)	0.5 (195)	0.9 (306)	0.6 (220)	1.0 (332)
The Nashville Network (37.2 mn)	—	—	—	—	0.6 (230)[c]	0.6 (179)[c]	0.6 (217)[c]	0.6 (165)[c]	1.3 (498)	1.3 (388)	1.3 (479)	1.1 (302)
Lifetime (35.4 mn)	—	—	—	—	0.5 (182)[d]	0.7 (198)[d]	0.4 (157)[d]	0.5 (144)[d]	1.0 (363)	0.8 (237)	0.7 (255)	0.7 (184)
Weather Channel (33.3 mn)	—	—	0.2 (56)	0.3 (58)	—	—	0.2 (64)	0.3 (68)	—	—	0.2 (65)	0.3 (59)
Nick At Nite (32.7 mn)	—	—	0.4 (131)[e]	0.4 (105)[e]	0.5 (166)*	—	—	—	0.8 (266)*	—	—	—
Arts & Entertainment (31.9 mn)	—	—	—	—	—	—	—	—	—	—	0.6 (198)	0.7 (163)
Headline News* (29.8 mn)	0.4 (119)	NA	0.9 (392)[a]	0.4 (91)	0.5 (149)	0.6 (136)	1.0 (457)[a]	0.4 (91)	0.4 (119)	0.7	1.3 (564)[a]	0.5 (113)
Discovery (28.4 mn)	—	—	—	—	0.5 (148)[f]	—	0.4 (106)[f]	—	1.0 (283)	—	0.7 (185)	—
VH-1 (24.8 mn)	—	—	0.3 (74)	—	—	—	—	—	—	—	—	—

Next to ratings in parenthesis are the households served in thousands. All data provided by each network except where noted. FNN would not disclose ratings—it is in approximately 27.3 million homes. All ratings are Nielsen HomeVideo Index.

* from industry sources
a = ratings are CNN/Headline combined
b = 7am - 8pm
c = 9am - 3am
d = 7:30am - 1am, Mon-Sat
e = 8pm - 7am
f = 9am - 3am

Basic programming

$10,000 Bingo
(303) 795-3288

P.O. Box 2311
Littleton, CO 80161
PARENT COMPANY:
World Wide Bingo
P.O. Box 2311
Littleton, CO 80161
PERSONNEL: Jack Hampton, President/CEO; Rich Ludvigsen, Exec VP/Mktg Director
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 30 mins per day
PROGRAM FORMAT: Home participation game show stripped Monday through Friday. Audience plays along by using playing cards from local participating sponsors, no cost, no purchase necessary.
SATELLITE: None
SUBSCRIBER INFORMATION:
Affiliates: 10
As of: 01/01/88
ADVERTISING:
Local Advertising Available
6mins/30mins

American Catalog Shopper's Net
(919) 869-0104

155 Northpoint Ave.
High Point, NC 27260
TYPE OF SERVICE:
Basic Programming
Shopping Network

America's Shopping Channel, Inc
(619) 258-1060

1919A Friendship Dr.
El Cajon, CA 92020
PERSONNEL: Roy Berlin, President; Richard Berlin, VP/Operations; Ellen Kalan, Director/Marketing
TYPE OF SERVICE:
Basic Programming
Shopping Network
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Largest stand-alone home shopping service offering a wide variety of items such as: jewelry, household items, collectables and toys. Shoppers receive their items at convenient outlet locations which saves postage cost and enables examination of the merchandise before purchasing.
SUBSCRIBER INFORMATION:
Affiliates: 5
Subscribers: 1,000,000

A&E
Cable Network

Arts & Entertainment
(212)-661-4500

555 Fifth Ave.
New York, NY 10017
PARENT COMPANY:
Hearst/ABC/NBC
55 Fifth Avenue
New York, NY 10017
PERSONNEL: Nickolas Davatzes, President/CEO; Seymour H. (Sy) Lesser, Senior VP, Chief Financial and Administrative Officer; Whitney Goit II, VP, Ad Sales & Mktg; Peter E. Hansen, VP Programming; Andrew H. Orgel, VP Affiliate Sales & Mktg; Mary Ann Zimmer, VP Legal & Business Affairs; Burt Berliner, Director, Public Relations; Christina Haselfeld, Manager of Publicity
REGIONAL OFFICES: 111 E. Wacker Drive, Suite 1404, Chicago, IL 60601 (312) 819-0191, David Boretti, Ad Sales, Randy McKey, Affiliate Sales; 5455 Wilshire Blvd., Suite 1715, Los Angeles, CA 90036 (213) 933-9600, Brian Litman, Affiliate Sales, Matthew Tombers, Ad Sales
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT:Quality entertainment, comedy, drama, documentaries and the performing arts.
SATELLITE: Satcom IIIR Tr. 24
SUBSCRIBER INFORMATION:
Affiliates: 2,500
As of: 01/01/88
Subscribers: 30,000,000
Price/sub: $.10/sub/mo
ADVERTISING:
Local Advertising Available
2 mins/hr
RATINGS:
4th Quarter 86 vs. 4th Quarter 87: .7/.6
RATING SOURCE: Nielsen

American Christian Television System
(817) 737-3241

6350 W. Freeway
Fort Worth, TX 76150
PARENT COMPANY:
Southern Baptist Convention Radio & Television Commission
6350 W. Freeway
Ft. Worth, TX 76150
PERSONNEL: Jimmy R. Allen, President/CEO; Richard T. McCartney, CFO; Bill Nichols, President, ACTSCOM; Deborah Little, Promotion Manager; Michael Wright, VP Affiliate Relations
REGIONAL OFFICES: Western Region: Rod Moerer, P.O. Box 1119, Mt. Shasta, CA 96067 (916) 926-4320; Northeast Region: Don Smith, 324-7 Main Avenue, Suite 200, Norwalk, CT 06851 (203) 846-4555; Southwest Region: Jim Robinson, 6350 West Freeway, Fort Worth, TX 76150 (817) 737-3241; Southeast Region: W. Mark Snowden, P.O. Box 16188, Atlanta, GA 30321 (404) 477-5456
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: Family oriented entertainment and inspirational programming, 75% entertainment and information, 25% religious. Targeted to all mainline Christian denominations.
SATELLITE: Spacenet I Tr. 15
SUBSCRIBER INFORMATION:
Affiliates: 354
As of: 01/15/88
Subscribers: 6,400,000
ADVERTISING:
Local Advertising Available
1 min/hour

Alternate View Network
(318) 226-8776

500 Common St.
Shreveport, LA 71101
PERSONNEL: George Nelson Sr., Chairman; Dr. D.L. Dykes Jr., President; J. David Stone, Executive Director; Jack Easterwood, Chief Engineer; Rose Mary Miller, Executive Assistant
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 7:30am-1pm EST Sun
PROGRAM FORMAT: Ecumenical programming for protestant, Catholic and non-denominational, teaching how to make decisions, rather than telling them what decisions to make. Offers music, drama, information and inspiration for children, youth and adults. Some video teleconferencing
SATELLITE: Satcom 4 Tr. 10
SUBSCRIBER INFORMATION:
As of: 02/01/88
Subscribers: 3,000,000
Price/sub: Free

America's Value Network
(715) 874-5000

4777 Menard Dr.
Eau Claire, WI 54703
PARENT COMPANY:
Wholesale America Inc.
4777 Menard Dr.
Eau Claire, WI 54703
PERSONNEL: Ed Hutchings, Vice President; Joe Goldyn, Merchandising Manager
TYPE OF SERVICE:
Basic Programming
Shopping Network
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Emphasis on home products and hardline merchandise. Small appliances, housewares, jewelry, collectables, toys, power tools, furniture items. Interviews with Hollywood stars and hourly weather reports
SATELLITE: Satcom 4 Tr. 5
SUBSCRIBER INFORMATION:
Affiliates: 54
As of: 02/01/88
Subscribers: 12,000,000
Price/sub: 10% commission
ADVERTISING:
Local Advertising Available
4mins/hr

BET
We're Coming On For You!

Black Entertainment Television
(202)-337-5260

1232 31st St. NW
Washington, DC 20007
PERSONNEL: Robert Johnson, President; Janis P. Thomas, VP Advertising; James Ebron, VP Sales; Rosalyn Shaw-Doaks, Manager, Affiliate Mktg
REGIONAL OFFICES: Louis Carr, 333 W. Wacker Dr., Suite 700, Chicago, IL 60606 (312)-444-2059; James Ebron, 1100 Avenue of the Americas, New York, NY 10036 (212)-512-5258
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 Hours
PROGRAM FORMAT: Black-oriented urban contemporary music video programs, sports, family entertainment, public affairs, classic movies and specials

C-SPAN

C-SPAN
(202)-737-3220

444 North Capitol St.
NW Suite 412
Washington, DC 20001
PARENT COMPANY:
C-Span
444 North Capitol St.
NW Suite 412
Washington, DC 20001
PERSONNEL: Brian P. Lamb, Chairman/CEO; Mike Michaelson, Exec VP; Rob Kennedy, VP Business Affairs; Susan Swain, VP Corp Communications; Lori McFarling, Western Region Mktg Rep; Kate Hampford, Director, Affiliate Mktg; Lori Fee, Barkley Kern, Affiliate Services Coordinators
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Gavel-to-gavel proceedings of the U.S. House of Representatives plus other public affairs and events from the nation's capital and elsewhere.
SATELLITE: Galaxy III Tr. 24
SUBSCRIBER INFORMATION:
Affiliates: 2,850
As of: 01/01/88
Subscribers: 33,800,000
Price/sub: $.04

C-Span II
(202) 737-3220

444 North Capitol St. NW
Suite 412
Washington, DC 20001
PARENT COMPANY:
C-Span
444 North Capitol St. NW
Suite 412
Washington, DC 20001
PERSONNEL: Brain P. Lamb, Chairman; Mike Michaelson, Exec VP; Rob Kennedy, VP Business Affairs; Susan Swain, VP Corp Communications; Lori McFarling, Mktg. Rep./Western Region; Kate Hampford, Director/Affiliate Mktg; Lori Fee, Barkley Kern, Affiliate Services Coordinators
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 Hours
PROGRAM FORMAT: Live gavel-to-gavel coverage of the U.S. Senate plus other events selected on a daily basis
SATELLITE: Galaxy 3 Tr. 14
SUBSCRIBER INFORMATION:
Affiliates: 485
As of: 01/31/88
Subscribers: 12,800,000
Price/sub: $.04

CBN
CABLE NETWORK

CBN Cable Network
(804) 424-7777

CBN Center
Virginia Beach, VA 23463
PARENT COMPANY:
Christian Broadcasting Network
CBN Center
Virginia Beach, VA 23463
PERSONNEL: Timothy Robertson, President & Chief Administrative Officer; Tom Robeberg, Sr VP & General Manager; Douglas Greenlaw, Vp Ad Sales; Dick Hammer, Acting Director Ad Sales; Doug Stuart, Acting Director Mktg; Craig Sherwood, Director Affiliate Relations
REGIONAL OFFICES: Stan Majkut, CBN Center, Virginia Beach, VA 23463 (804)424-7777; Clay Broudreaux, 2941 Terry Road, Suite P, Jackson, MS 39212 (601) 372-9474; Tim Larson, 10 Tower Office Park, Suite 305, Woburn, MA 01801 (617) 935-7177; Russ Breault, 1895 Phoenix Blvd., Suite 164, Atlanta, GA 30349 (404) 997-5704; Janelle Slipp, 4019 Westerly Place, Suite 109, Newport Beach, CA 92660 (714) 955-2870; Shirley Hill, 444 North Michigan Avenue, Suite 1000, Chicago, IL 60611 (312) 222-0043; Mark Solow, 1001 West Euless Blvd., Suite 112, Euless, TX 76040 (817) 540-3677; Howard Williams, CBN Cable Network, 2620 So. Parker Road, Suite 165, Aurora, CO 80014 (303) 671-9302
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Family programming ranging from documentaries to the classics in comedy, westerns and movies. There are shows for women, home and health programs, children's fare, new specials and inspirational programs.
SATELLITE: Galaxy I Tr. 2, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 7,903
As of: 01/12/88
Subscribers: 38,700,000
Price/sub: $.06/sub
ADVERTISING:
Local Advertising Available
2 mins/hr
RATINGS:
24 hours: .5
Primetime: .6
7am - 11pm: .7
Dec 86 vs. Dec 87: .9 (86)
4th quarter 86 vs 4th quarter 87: 1.0 (86)
RATING SOURCE: Nielsen

CVN-Cable Value Network
(612) 559-8000

1405 N. Xenium Lane North
Minneapolis, MN 55447
PERSONNEL: Theodore Deikel, Chairman; Mitchell R. Joelson, President
REGIONAL OFFICES: 5655 S. Yosemite, #105, Englewood, CO 80111 (303) 770-7740
TYPE OF SERVICE:
  Basic Programming
  Shopping Network
PROGRAM FORMAT: Brand name and other excellent consumer values presented through specially segmented and general programming.
SATELLITE: Galaxy 3 Tr. 9
SUBSCRIBER INFORMATION:
  Affiliates: 1,500
  Subscribers: 18,400,000

Cable News Network
(404) 827-1700

One CNN Center
P.O. Box 105366
Atlanta, GA 30348-5366
PARENT COMPANY:
  Turner Broadcasting System Inc.
  One CNN Center
  Atlanta, GA 30348-5366
PERSONNEL: Burt Reinhardt, President/CEO; Alma Knott, CFO; John Barbera, Sr VP, TBS Sales; Ron Harris, VP Advertising & Promotion; Bob Rierson, Director Programming/CNN
REGIONAL OFFICES: One CNN Center, Box 105366, Atlanta, GA 30348-5366 (404) 827-1700; 303 E. Wacker Drive, Chicago, IL 60601 (312) 565-1717; K's Advertising, 109 N. Goliad, Rockwell, TX 75087 (214) 226-4948; 600 Ren-Cen, Suite 1920, Detroit, MI 48243 (313) 259-4622; 25-28 Old Burlington St., London, W1X 1LB, London, U.K. 44-1-434-9323; 1875 Century Park East, Suite 320, Los Angeles, CA 90067 (213) 553-9320; 6 East 43rd Street, 8th Floor, New York, NY 10017 (212) 692-6900
TYPE OF SERVICE:
  Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Live news coverage plus diverse features including health, fashion, entertainment, sports, news & weather
SATELLITE: Galaxy I Tr. 7, VideoCipher encrypted
SUBSCRIBER INFORMATION:
  Affiliates: 7,900
  As of: 12/01/87
  Subscribers: 43,400,000
RATINGS:
  Dec 86 vs. Dec 87: .7/.6
  4th quarter 86 vs 4th quarter 87: .7/.6
RATING SOURCE: Nielsen

Country Music Television
(615)255-8836

704 18th Ave. South
Nashville, TN 37203
PARENT COMPANY:
  Private Investors
PERSONNEL: James W. Guercio, Chairman; Stan Hitchcock, Sr VP; Nan Olson, Ad Director; Rene Ray, Director Affiliate Relations
TYPE OF SERVICE:
  Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Country music videos interspersed with interview clips of favorite artists.
SATELLITE: Galaxy I Tr. 13
SUBSCRIBER INFORMATION:
  Affiliates: 602
  As of: 01/01/88
  Subscribers: 6,800,000
ADVERTISING:
  Local Advertising Available
  3 mins/hr

Discovery Channel, The
(301) 577-1999

8201 Corporate Dr. NE
Suite 1200
Landover, MD 20785
PERSONNEL: John S. Hendricks, Chairman/CEO; Ruth L. Otte, President/COO; Kathy Clinton, Sr VP Ad Sales; Suzanne Hayes, Sr VP Program Acquisitions; Sandy McGovern, Sr VP Affiliate Sales; Greg Moyer, Vp Mktg & Communications; Clark Bunting, Vp Program Acquisitions; Greg Durig, Vp Finance; Judith McHale, Vp General Counsel; Michael DuMonceau, VP Program Operations; Denise Baddour, Director Communications
REGIONAL OFFICES: 18 East 48th St. 21st Floor, New York, NY 10017 (212) 751-2120
TYPE OF SERVICE:
  Basic Programming
PROGRAM HOURS: 18hrs 9am-3pm EST
PROGRAM FORMAT: Entertaining documentaries in the fields of science and technology, nature, world exploration, human adventure and history.
SATELLITE: Galaxy I Tr. 22
SUBSCRIBER INFORMATION:
  Affiliates: 2,700
  As of: 12/31/87
  Subscribers: 27,500,000
  Price/sub: varies
ADVERTISING:
  Local Advertising Available
  2 mins/hr
RATINGS:
  24 hours: .4
  Primetime: .7

ESPN
(203)-585-2000

ESPN Plaza
Bristol, CT 06010
PARENT COMPANY:
  Capital Cities/ABC (80%)
  RJR Nabisco (20%)

PERSONNEL: J. William Grimes, President/CEO; Roger L. Werner, Exec VP; Steven M. Bornstein, Sr VP Programming & Production; Andrew P. Brilliant, Sr. VP Business & Legal Affairs; John S. Bonanni, Vp Ad Sales; Rosa M. Gatti, VP Communications; William P. Ketcham, Vp Consumer Mktg; Loren E. Matthews, VP Programming; C. Dana Redman, Vp Research & Measurement; Reginald R. Thomas, Vp Operations & Engineering; E. Roger Williams, Vp Affiliate Mktg
REGIONAL OFFICES: Rocky Mountain: 5445 DTC Parkway, The Quadrant, Suite P-8 Englewood, CO 80111(303) 740-8940; Northeast and Southeast: ESPN Plaza, Bristol, CT 06010 (203) 585-2000; Midwest: 303 East Wacker Drive Suite 400 Chicago, IL 60601 (312) 938-4200; South Central and Western: 9665 Wilshire Blvd. Suite 800 Beverly Hills, CA 90212 (213) 205-8900.
TYPE OF SERVICE:
  Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Professional, collegiate and amateur sports along with sports news and information. The schedule also includes a morning

business news program.
SATELLITE: Galaxy I Tr. 9 and Satcom IIIR Tr. 7
SUBSCRIBER INFORMATION:
Affiliates: 18,936
As of: 01/01/88
Subscribers: 46,100,000
Price/sub: $.28
ADVERTISING:
Local Advertising Available
2 mins/hr
RATINGS:
24 hours: .8
Primetime: 1.9
Dec 86 vs. Dec 87: .6 .9 1.4 3.4
RATING SOURCE: Nielsen

Eternal Word Television Network
(205) 956-9537

5817 Old Leeds Road
Birmingham, AL 35210
PERSONNEL: Mother Mary Angelica, Chairman; R. William Steltemeier Jr., President; Matt Scalici, Sr VP Engineering & Sat. Oper.; Virginia Dominick Kelly, Exec VP; Chris Harrington, Sr VP Operations/Production; Maynell Ford, Sr VP/Mktg; Richard Stephen, Sr VP/Programming; Dee Park, Public Relations Manager; Nancy Gilmore, Affiliate Relations Manager; Mary Ann Lollar, Edward Morrow, Mktg Reps
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Christian programming with a Catholic point of view. Quality family programming, 50% of which is produced at EWTN. Programming includes weekly series on Catholic teaching, Bible study guides, children's specials and Christian music videos.
SATELLITE: Galaxy 3 Tr. 10
SUBSCRIBER INFORMATION:
Affiliates: 396
As of: 01/01/88
Subscribers: 8,500,000

Financial News Network
(213)-450-2412

2525 Ocean Park Blvd.
Santa Monica, CA 90405
PARENT COMPANY:
Infotechnology Inc.
320 Park Avenue
New York, NY 10022
PERSONNEL: Dr. Earl W. Brian, Chairman; David L. Meister, President; Michael Wheeler, Exec VP, General Manager; C. Steven Bolen, CFO/Sr VP Finance & Admin.; A. Scott Hults, President/Infomedia; Richard Stone, Sr VP Distribution; Ed Berenhaus, VP Advertising & Promotion; Tom Lucas, VP Mktg
REGIONAL OFFICES: George Monaster, FNN, 320 Park Avenue, New York, NY 10022, (212) 758-9009; John Fagan, FNN, 435 N. Michigan Ave., Chicago, IL 60611, (312) 670-0255; Bill Schweizer, FNN, 2525 Ocean Park Blvd., Santa Monica, CA 90405, (213) 450-2412; Jeanne Wigard, Infomedia, 320 Park Avenue, New York, NY 10022, (212) 888-7327; Larry Grossman, Infomedia, 435 N. Michigan Ave., Chicago, IL 60611, (312) 670-0255; Dale Hopkins, Infomedia, 1642 Westwood Blvd., #202, Los Angeles, CA 90024, (213) 474-3332
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: Weekdays 6am-8pm EST
PROGRAM FORMAT: Live business and financial news and trends including reports on all major stock, commodity, and option exchanges. Interviews with economists and analysts. NYSE, AMEX, and exclusive NASDAQ ticker crawls.
SATELLITE: Satcom IIIR Tr. 4
SUBSCRIBER INFORMATION:
Affiliates: 1,900
As of: 02/09/88
Subscribers: 29,000,000
Price/sub: $.075-$.10
ADVERTISING:
Local Advertising Available
2mins/hr

FNN:Telshop
(212) 758-9009

645 Madison Ave.
New York, NY 10022
PARENT COMPANY:
Infotechnology Inc.
600 Madison Ave.
New York, NY 10022
PERSONNEL: Dr. Earl Brian, Chairman; David Meister, President; C. Steven Bolen, CFO; John Berentson, Exec. VP & General Manager; Ed Berenhaus, VP Advertising & Promotion; Richard Stone, Senior VP Distribution
REGIONAL OFFICES: George Monaster, FNN, 645 Madison Ave., New York, NY 10022, (212) 758-9009 (new address 4/1/88: 320 Park Avenue, New York, NY 10022); John Fagan, FNN, 435 N. Michigan Ave., Chicago, IL 60611, (312) 670-0255; Bill Schweizer, FNN 2525 Ocean Park Blvd., Santa Monica, CA 90405, (213) 450-2412
TYPE OF SERVICE:
Basic Programming
Shopping Network
PROGRAM HOURS: Varies, 2am-6pm-12mid
PROGRAM FORMAT: Quality brand name merchandise at guaranteed lowest prices.
SATELLITE: Satcom IIIR & Satcom 4
SUBSCRIBER INFORMATION:
Affiliates: 950
As of: 02/09/88
Subscribers: 12,000,000
Price/sub: 6%-10% commission

Family Guide Network
(215) 887-7010

Suite A-1 Fox Pavillion
Jenkintown, PA 19046
PARENT COMPANY:
Family Guide Network
Suite A-1 Fox Pavillion
Jenkintown, PA 19046
PERSONNEL: Kevin Harrington, Chairman/President; Harry Birnbohn, Sales Mgr.; Don Decinque, VP
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 3-9 EST
PROGRAM FORMAT: Audience response programming; life enhancement & motivation
SATELLITE: Satcom IV Tr. 9
ADVERTISING:
Local Advertising Available
2 mins/hr

Fashion Channel, The
(213)-835-5533

22351 South Wilmington
Carson, CA 90745
PERSONNEL: Charles Gee, Chairman/CEO/President; Mark Klein, CFO; Dana Durborow, Affiliate Markting Manager; Bridget Baker, Affiliate Sales
REGIONAL OFFICES: Eastern Region: 2300 Computer Avenue, Suite I-46, Willow Grove, PA 19090, (215) 657-2005, FAX# (215) 657-3083; Western Region: 22351 S. Wilmington Ave., Carson, CA 90745, (203) 835-5533, FAX# (213) 513-2105
TYPE OF SERVICE:

Basic Programming
Shopping Network
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Video shopping service offering name-brand, first quality clothing and accessories for the entire family at popular prices.
SATELLITE: Satcom 4 Tr. 14
SUBSCRIBER INFORMATION:
Affiliates: 696
As of: 01/13/88
Subscribers: 9,000,000

Galavisión
THE PREMIUM ENTERTAINMENT CABLE SERVICE IN SPANISH

GalaVision
(213) 859-0066

9200 Sunset Blvd.
Suite 1105
Los Angeles, CA 90069
PARENT COMPANY:
UniVision
9200 Sunset Blvd.
Suite 1100
Los Angeles, CA 90069
PERSONNEL: Barrett Berry, VP & General Manager; Eddie Domingeuz, Mktg Director; John Figueroa, Western Region Sales & Mktg
REGIONAL OFFICES: Western Region: Los Angeles, Daniel Huertas, Executive Director, (213) 859-0066; Central Region: Dallas, Vera Gonzales and Priscilla Hayes, (214) 980-7773; Eastern Region: New York, John Ruiz, Regional Manager, (212) 502-1300.
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Quality programs for Spanish audience
SATELLITE: Galaxy I Tr. 20
SUBSCRIBER INFORMATION:
Affiliates: 300
As of: 01/01/88
Subscribers: 1,000,000
Price/sub: varies
ADVERTISING:
Local Advertising Available

HSN

Home Shopping Network 1
(813) 572-8585

P.O. Box 9090
Clearwater, FL 34618
PARENT COMPANY:
Home Shopping Network Inc.
P.O. Box 9090
Clearwater, FL 34618
PERSONNEL: Roy M. Speer, Chairman/CEO; Lowell W. Paxson, President; Les Wandler, CFO; Richard Wexler, Director of Sales; Scott B. Campbell, Sr VP Mktg & Sales; W. Alex Job, Director
REGIONAL OFFICES: 3833 Ebony St., Ontario, CA 91761, Dotty Ewing; 4255 Westbrook Dr., Aurora, IL 60507, Larry Smith.
TYPE OF SERVICE:
Basic Programming
Shopping Network
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: Electronic discount retailer that broadcasts live nationwide 24 hours a day, 7 days a week.
SATELLITE: Galaxy 3 Tr. 8 & Satcom IIIR Tr. 22
SUBSCRIBER INFORMATION:
Subscribers: 13,300,000
Price/sub: 5% commission

Home Shopping Network 2
(813) 572-8585

P.O. Box 9090
Clearwater, FL 34618
PARENT COMPANY:
Home Shopping Network Inc.
P.O. Box 9090
Clearwater, FL 34618
PERSONNEL: Roy M. Speer, Chairman/CEO; Lowell W. Paxson, President; Les Wandler, CFO; Richard Wexler, Director Sales; Scott B. Campbell, Sr VP Mktg & Sales; W. Alex Job, Director
REGIONAL OFFICES: 3833 Ebony St., Ontario, CA 91761, Dotty Ewing; 4255 Westbrook Dr., Aurora, IL 60507, Larry Smith.
TYPE OF SERVICE:
Basic Programming
Shopping Network
PROGRAM HOURS: 24 hrs
SATELLITE: Satcom 4 Tr. 1
SUBSCRIBER INFORMATION:
Subscribers: 4,400,000
Price/sub: 5% commission
ADVERTISING:
Local Advertising Available

HEADLINE NEWS

Headline News
(404) 827-1700

One CNN Center
Atlanta, GA 30348-5366
PARENT COMPANY:
Turner Broadcasting System Inc
One CNN Center
Atlanta, GA 30348-5366
PERSONNEL: Burt Reinhardt, CEO; Alma Knott, CFO; Paul Amos, VP; Bob Rierson, Director Programming/CNN; John Barbera, Sr VP TBS Sales; Ron Harris, VP Advertising & Promotion
REGIONAL OFFICES: One CNN Center, Box 105366, Atlanta, GA 30348-5366 (404) 827-1700; 303 E. Wacker Drive, Chicago, IL 60601 (312) 565-1717; K's Advertising, 109 N. Goliad, Rockwell, TX 75087 (214) 226-4948; 600 Ren-Cen, Suite 1920, Detroit, MI 48243 (313) 259-4622; 25-28 Old Burlington St., London, W1X 1LB, London, U.K. 44-1-434-9323; 1875 Century Park East, Suite 320, Los Angeles, CA 90067 (213) 553-9320; 6 East 43rd Street, 8th Floor, New York, NY 10017 (212) 692-6900
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
SATELLITE: Galaxy 1 Tr. 8, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 2,800
As of: 12/01/87
Subscribers: 30,000,000
ADVERTISING:
Local Advertising Available
RATING SOURCE: Nielsen

Heart of the Nation
(818)-848-5800

PO Box 7851
2525 N. Naomi Street
Burbank, CA 91504
PARENT COMPANY:
Santa Fe Communications
2525 N. Naomi Street
Burbank, CA 91504
PERSONNEL: Ray Srager, President; Mary Jane Hopkins, Ad Sales & Mktg/Affiliate Relations
TYPE OF SERVICE:
PROGRAM HOURS: 30 mins/day, 6 days/wk
PROGRAM FORMAT: Series of daily programs consisting of Forum, A New Beginning, Search and Innervision.
SATELLITE: Syndicated
SUBSCRIBER INFORMATION:
Affiliates: 600
As of: 02/08/88

Hospital Satellite Network
(213)-277-6710

2020 Avenue of the Stars
Suite 550
Los Angeles, CA 90067
PARENT COMPANY:
Pimark Corp.
8251 Greensboro Dr.
McLean, VA 22102
PERSONNEL: Peter Feeney, President; Bart Penfold, VP Mktg/Sales
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 Hours
PROGRAM FORMAT: Programming for

health care professionals continuing education. Patient information, education and a special service (Patient America), featuring entertainment and good health education.
SATELLITE: Spacenet 1, GStar 1 Tr. 13, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 830
As of: 02/01/88

International Television Network
(212) 935-7080

645 Fifth Avenue
Hamilton Ste. 3rd FL
New York, NY 10022
PARENT COMPANY:
World Television
645 Fifth Avenue
Hamilton Suite 3rd Floor
New York,, NY 10022
PERSONNEL: Carl Sabitino, Chairman/CEO/President
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 12:30am-8:30am EST
PROGRAM FORMAT:International programming with subtitles, sporting events, music events, series & movies.
SATELLITE: Westar 4 Tr. 10D
SUBSCRIBER INFORMATION:
Affiliates: 65
As of: 01/20/88

KTVT
(918) 665-6690

WATS(National). . . .(800) 331-4806
3801 S. Sheridan.
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
3801 S. Sheridan
Tulsa, OK 74145
PERSONNEL: Lawrence Flinn Jr., Chairman; Roy L. Bliss, CEO; David W. Wheaton, CFO; Anne Wilkerson, General Manager Video Mktg/Sales; Sandy Neuzil, Sales Manager; Jeffrey C. Treeman, Sr VP Mktg/Sales; John Hawkins, Manager Advertising & Promotion; Diane Wells, Affiliate Programs Supervisor
TYPE OF SERVICE:
Basic Programming
Regional Entertainment
PROGRAM HOURS: 24 hours
PROGRAM FORMAT:Texas Rangers baseball, comedy, adventure and movie favorites.
SATELLITE: Satcom F1R, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 415
As of: 12/31/87
Subscribers: 3,537,072
Price/sub: $.15

Kids Information Network
(714)-998-0573

WATS(National). . . .(800) KIDS-TV2
6201 Sunset Blvd. Suite 30
Hollywood, CA 90028
PERSONNEL: Jay Eckstein, Chairman; Harriet Aratin, Vice President
TYPE OF SERVICE:
Basic Programming
PROGRAM FORMAT: 24 hour cable network dedicated to finding missing children and adults, offered free. Also, follow-up stories; reunions and parent guidance features on child safety with local authorities and celebrities.
SATELLITE: Satcom IR
SUBSCRIBER INFORMATION:
As of: 01/01/88
Subscribers: 800,000
ADVERTISING:
Local Advertising Available
21/2 mins/hr

The Learning Channel

Learning Channel, The
(703) 276-0881

WATS(National). . . .(800) 346-0032
1525 Wilson Blvd
Suite 550
Roslyn, VA 22209
PARENT COMPANY:
Infotechnology/FNN
600 Madison Avenue
New York, NY 10022
PERSONNEL: Dr. Harold E. Morse, Chairman/CEO; Robert J. Shuman, President/COO; Henry E. Schlenker, Sr VP/CFO; Robert J. Sestili, VP Programming; John M. McLaurin, Mktg Director; Ferne Barrow, Promotions Manager; Patricia MacEwan, Manager Affiliate Relations
REGIONAL OFFICES: 184 Commonwealth Avenue, Mount Vernon, NY 10552 (914) 667-5598; 38 Miller Avenue, Mill Valley, CA 94941 (415) 388-4852
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 6am-2am daily
PROGRAM FORMAT: Educational, informational and enriching programming. ACE Award-winning "Independent" series.
SATELLITE: Satcom IIIR Tr. 2
SUBSCRIBER INFORMATION:
Affiliates: 930
As of: 01/31/88
Subscribers: 11,000,000
Price/sub: $.05
ADVERTISING:
Local Advertising Available

Liberty Broadcasting Network
(804) 845-4112

WATS(National). . . .(804)-845-4146
2220 Langhorne Plaza
Lynchburg, VA 24514
PERSONNEL: Jerry C. Nims, Chairman; Warren Marcus, President; Steven L. Fravel, VP Network Operations; Charles W. Elder, Director Programming; Jerry Whitehurst, Affiliate Mktg/Program Director; David Lewis, Director Network Mktg; Milton Ridgeway, Manager Engineering
TYPE OF SERVICE:
Basic Programming
PROGRAM FORMAT: Inspirational, information, entertainment, sports, non-denominational religious, general information, news, sports programming, including football and basketball.
SATELLITE: Satcom 4 Tr. 7
SUBSCRIBER INFORMATION:
Affiliates: 40
As of: 12/31/87
Subscribers: 1,040,000

Lifetime
CABLETELEVISION NETWORK

Lifetime
(212)-713-6400

1211 Avenue Of The Americas
New York, NY 10019
PARENT COMPANY: Hearst/ABC-Viacom Entertainment Services, 1211 Avenue of the Americas, New York, NY 10036
PERSONNEL: Thomas F. Burchill, President/CEO; Seymour Kaplan, VP Affiliate Relations; Peter Brickman, VP Network Productions & Operations; James R. Ganley, VP/CFO; Charles B. Gingold, VP Programming; Barry Kresch, VP Research; Douglas W. McCormick, VP Sales; Laurence E. Rebich, VP Mktg; Margaret Sandwick, VP Public Affairs; Jane Tollinger, VP Business and Legal Affairs
REGIONAL OFFICES: The Centrum, 3575 Cahuenga Blvd. West, Los Angeles, CA 90068, (213)-850-0373; 75 E. Wacher Drive, Suite 500, Chicago, IL 60601, (312)-782-5900; 12860 Hillcrest Road, Suite 229, Dallas TX 75230, (214)-960-0271
TYPE OF SERVICE:
Basic Programming
PROGRAM FORMAT: Contemporary, innovative programming of special

interest to women, with exciting dramatic series and feature films. Weekends feature medical programming.
SATELLITE: Satcom IIIR Tr. 17
SUBSCRIBER INFORMATION:
Affiliates: 3,500
As of: 1/1/88
Subscribers: 34,000,000
ADVERTISING:
Local Advertising Available
2 mins/hr

MUSIC TELEVISION

Music Television (MTV)
(212)-713-6888

1775 Broadway
New York, NY 10019
PARENT COMPANY:
Viacom International Inc.
1211 Avenue of the Americas
New York, NY 10036
PERSONNEL: Tom Freston, President/CEO; Douglas Greenlaw, Sr VP Advertising Sales; Robert J. Friedman, Sr. VP Mktg & Promotion; John Shaker, Sr VP/Eastern Div Affiliate Sales; Mark Rosenthal, Sr. VP Western Div Affiliate Sales
REGIONAL OFFICES: Eastern Region: Howard Smith, 1133 Avenue of the Americas, 28th Floor, New York, NY 10036, (212) 944-4041; Southeastern Region: Kris Bagwell, 1800 Century Blvd., Suite 280, Atlanta, GA 30345, (404) 320-6808; Central Region: Patty Brennan, 303 E. Wacker Drive, Suite 428, Chicago, IL 60601, (312) 565-2300; Western Region: Roberta Koz, 10 Universal City Plaza, 30th Floor, Universal City, CA 91608, (818) 505-7800
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: Music video music network in stereo, zany and irreverent, reflecting the cutting edge spirit of rock'n roll. VJ's, music news, promotions, interviews, concert tour information, specials and documentaries
SATELLITE: Galaxy III Tr. 17, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 4,590
As of: 12/31/87
Subscribers: 39,400,000
ADVERTISING:
Local Advertising Available
2 mins/hr

Mind Extension University
(303) 792-3111

WATS(National). . . .(800) 777-MIND
9697 E Mineral Ave.
Englewood, CO 80112
PARENT COMPANY:
Jones International Ltd.
9697 E Mineral Ave.
Englewood, CO 80112
PERSONNEL: Glenn R. Jones, Chairman; James J. Krejci, Group VP; Donald A. Sutton, Exec Director; Lucy A. Strupp, Creative Services Director
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 4am-7am EST
PROGRAM FORMAT:Educational service offering bachelor degree-level college credit courses
SATELLITE: Galaxy 3 Tr. 11
SUBSCRIBER INFORMATION:
Affiliates: 5
As of: 02/11/88
Subscribers: 5,600,000
Price/sub: free

Motivation Network, The
(804) 420-4637

808 Live Oak Dr.
Chesapeake, VA 23320
PARENT COMPANY:
RCN
808 Live Oak Dr.
Chesapeake, VA 23320
PERSONNEL: Anne Gimenez, President; Lori C. Slough, Mktg Director
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 6am-1am EST
PROGRAM FORMAT:Predominantly original motivational, inspirational and music programming
SATELLITE: Satcom 4 Tr. 3
SUBSCRIBER INFORMATION:
Affiliates: 12
As of: 02/01/88
Subscribers: 310,000
Price/sub: Free

MOVIE TIME

Movietime
(213) 461-5511

1034 Seward St.
Hollywood, CA 90038
PERSONNEL: Alan Mruvka, Chairman; Larry Namer, President; Brian Owens, VP Programming
REGIONAL OFFICES: Mike Sobel, 245 East 58th St. Suite 4-F, New York, NY 10022 (212) 223-1156
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT:Featuring current movies, previews of upcoming pay and basic cable programs. Entertainment news, interviews with celebrities and directors
SATELLITE: Satcom 4 Tr. 17
SUBSCRIBER INFORMATION:
Price/sub: free
ADVERTISING:
Local Advertising Available
2 mins/hr

National Christian Network
(501) 787-6026

WATS(National). . . .(800) 643-4645
P. O. Box 416
Gravette, AR 72736-0416
PARENT COMPANY:
Soldiers of the Cross
P.O. Box 416
Gravette, AR 72736-0416
PERSONNEL: Pastor Arnold Murray, Chairman; Martha Sweeter, CFO; Ray Kassis, President/Mktg
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours a day
PROGRAM FORMAT:Bible teaching with question & answer sessions. Some evangelical programming
SATELLITE: Westar 4 Tr. 6
SUBSCRIBER INFORMATION:
Price/sub: free

THE NASHVILLE NETWORK.
AMERICA'S COUNTRY HOME

Nashville Network, The
(615) 889-6840

2806 Opryland Drive
Nashville, TN 37214
PARENT COMPANY:
Westinghouse Electric Co.
6 Gateway Center
Westinghouse Bldg.
Pittsburgh, PA 15222
PERSONNEL: Tom Griscom, Sr VP Broadcasting, Opryland USA; David Hall, VP/General Manager; Paul Corbin, Director, Programming; Peter Weisbard, VP Sales, GWSC; Kathleen Canavan, VP Marketing, GWSC; Roy Mehlman, VP Affiliate Relations,GWSC
REGIONAL OFFICES: Charles Theiss, 90 Park Avenue, New York, NY 10016 (212) 557-6550; Walter Bodkin, Suite 420, 625 North Michigan Ave., Chicago, IL 60611 (312) 454-7090; Bob Van Cleave, Suite 243, Greenfield Avenue,

Oak Park, MI 48237 (313) 968-1340; John Milne, Suite 1150, 6420 Wilshire Blvd., Los Angeles, CA 90048 (213) 722-6275.
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 9am-3am EST
PROGRAM FORMAT: Original concert specials, exclusive sports coverage, high quality entertainment news and interviews, information, live variety, and classic western movies.
SATELLITE: Galaxy I Tr. 2
SUBSCRIBER INFORMATION:
Affiliates: 6,320
As of: 12/31/87
Subscribers: 38,000,000
Price/sub: $.10
ADVERTISING:
Local Advertising Available
RATINGS:
24 hours: .6
Primetime: 1.3
7am-11pm: .6
Dec 86 vs. Dec 87: .7/.6

National Shopping Club (305)-291-6706

4613 Parkway Commerce Blvd.
P.O. Box 2801
Orlando, FL 32808
PERSONNEL: Greg Johnson, President; Stan Osborne, Exec VP; Jerry Chernak, Exec Producer
TYPE OF SERVICE:
Basic Programming
Shopping Network
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Classic movies from the 1930's, 40's and 50's. Nostalgia television series. "How to" fishing and golf. "National Movie Review," a review of new box office releases and "National Home MovieReview," review of new releases for home videos. Two to three hours of home shopping daily between regular programming.
SATELLITE: Galaxy III Tr. 23
SUBSCRIBER INFORMATION:
Affiliates: 65
As of: 10/01/87
Subscribers: 1,500,000
Price/sub: free
ADVERTISING:
Local Advertising Available
2-4 mins/hr

New Jazz TV (303)-426-4703

P.O. Box 723
Ft. Collins, CO 80522
PERSONNEL: William Smith, President; Kurt Stocker, Sales Manager
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 12am-6am daily MST
PROGRAM FORMAT: Point of purchase programming, new age and jazz videos.
SATELLITE: Satcom F1R Tr. 12
SUBSCRIBER INFORMATION:
Affiliates: 80
As of: 02/01/88
Subscribers: 1,000,000
Price/sub: free
ADVERTISING:
Local Advertising Available
2 mins/hr

Nickelodeon/Nick at Nite (212)-713-6425

1775 Broadway
New York, NY 10019
PARENT COMPANY:
Viacom International Inc.
1211 Avenue of the Americas
New York, NY 10036
PERSONNEL: Tom Freston, President/CEO; Douglas Greenlaw, Sr VP Ad Sales; Robert J. Friedman, Sr VP Mktg & Promotion; John Shaker, Sr VP Eastern Div Affiliate Sales; Mark Rosenthal, Sr VP Western Div Affiliate Sales
REGIONAL OFFICES: Eastern Region: Howard Smith, 1133 Avenue of the Americas, 28th Floor, New York, NY 10036, (212) 944-4041; Southeastern Region: Kris Bagwell, 1800 Century Blvd., Suite 280, Atlanta, GA 30345, (404) 320-6808; Central Region: Patty Brennan, 303 E. Wacker Drive, Suite 428, Chicago, IL 60601, (312) 565-2300; Western Region: Roberta Koz, 10 Universal City Plaza, 30th Floor, Universal City, CA 91608, (818) 505-7800
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hrs
PROGRAM
FORMAT: NICKELODEON offers a wide array of children's programming including animated series, comedy, adventure, rock music and magazine shows. NICK at NITE offers vintage TV shows for young adults
SATELLITE: Galaxy III Tr. 19 & Tr. 22, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 8,845
As of: 12/31/87
Subscribers: 37,900,000
ADVERTISING:
Local Advertising Available
1 & 2 mins/hr

Nostalgia Channel, The (212)-463-7740

71 W 23rd Street
Suite 502
New York, NY 10010
PARENT COMPANY:
The Nostalgia Network Inc.
71 W 23rd Street Suite 502
New York, NY 10010
PERSONNEL: Robert Weisberg, Managing Director; Donald (Chip) Harwood, VP Sales, Western Region; Nick Gentile, VP Sales, Eastern Region; Lori Meyers, Creative Services Mgr; Katherine Frink, Affiliate Relations
REGIONAL OFFICES: 2144 Royal Lane, Suite 150, Dallas, Texas 75229 (214) 243-0877
Orlando: (305) 862-7414
San Francisco: (415) 589-5246
Long Island: (516) 366-1781
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Programs targeted to age 45+ audience. Featuring over 90 movies per month from 1930's-1960's, 60% classic films and 40% programming variety from the past.
SATELLITE: Satcom 4 Tr. 21
SUBSCRIBER INFORMATION:
Affiliates: 300
As of: 01/31/88
Subscribers: 3,000,000
ADVERTISING:
Local Advertising Available
2mins/2hrs

PTL: The Inspirational Network (704) 542-6000

Heritage USA/WOC Building
Highway 21
Fort Mill, SC 29715
PARENT COMPANY:
Heritage Village Church & Missionary Fellowship
Highway 21
Fort Mill, SC 29715

PERSONNEL: Dr. David Clark, CEO; John F. McEntee, Dir, Cable Mktg; Lee Walters, Midwest Affiliate; Jim Bell, SE Affiliate; Willie Torrey, Great Lakes Affiliate
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Multidenominational programming representing the most popular religious programs available.
SATELLITE: Galaxy I Tr. 17
SUBSCRIBER INFORMATION:
Affiliates: 1,000
As of: 01/29/88
Subscribers: 10,300,000
Price/sub: free
ADVERTISING:
Local Advertising Available
12 hrs/wk

Prime Time Relay Corp.

(212) 725-1132

WATS(State). . . . . .(800) 248-2844
280 Madison Ave
Suite 608
New York, NY 10016
PERSONNEL: Kazie Metzger, President; Karen Tardy, VP Sales
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Uplinks three network affiliates, WABC-TV New York (ABC), WBBM-TV Chicago (CBS) and WXIA-TV Atlanta (NBC).
SATELLITE: Satcom II Trs. 2,4,12, VideoCipher encrypted

QVC Network, Inc.

(215) 430-1000

Goshen Corporate Park
West Chester, PA 19380
PERSONNEL: Joseph M. Segel, Chairman; Kenneth C. Eich, VP/CFO; D. Bruce Sellers, Executive VP/Affiliate Relation; David Heneberry, Executive VP/Marketing; Peter Flint, VP/Affiliate Relations; Richard Ross, Director/Affiliate Relations; Terry Harmon, Account Manager; Al Ulozas, Account Manager; Denise Kelly, Account Manager; Amy Bennett, Account Manager
TYPE OF SERVICE:
Basic Programming
Shopping Network
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: A wide variety of high quality merchandise, including selected values from Sears, at attractive discounts. QVC's unique qualities include: segmented hourly lifestyles programs, full disclosure of shipping and handling charges on-air, and the industry's most extensive games and sweepstakes which will award over $3,000,000 to viewers in 1988.
SATELLITE: Satcom IIIR Tr. 8
SUBSCRIBER INFORMATION:
Affiliates: 800
As of: 01/01/88
Subscribers: 11,100,000
ADVERTISING:
Local Advertising Available
2 mins/2hr

SCORE

(213)-450-2412

2525 Ocean Park Blvd.
Santa Monica, CA 90405
PARENT COMPANY:
Infotechnology Inc.
320 Park Avenue
New York, NY 10022
PERSONNEL: Dr. Earl Brian, Chairman; David L. Meister, President; C. Steven Bolen, CFO; Arnie Rosenthal, Exec VP/General Manager; A. Scott Hults, President/Infomedia; Scott Conant, VP/Natl Sales Dir; Bennett Boyd, VP Marketing; Ed Berenhaus, VP Advertising and Promotion; Richard Stone, Senior VP Distribution
REGIONAL OFFICES: George Monaster, FNN, 320 Park Avenue, New York, NY 10022, (212) 758-9009; John Fagan, FNN, 435 N. Michigan Ave., Chicago, IL 60611, (312) 670-0255; Bill Schweizer, FNN, 2525 Ocean Park Blvd., Santa Monica, CA 90405, (213) 450-2412; Jeanne Wigard, Infomedia, 320 Park Avenue, New York, NY 10022, (212) 888-7327; Larry Grossman, Infomedia, 435 N. Michigan Ave., Chicago, IL 60611, (312) 670-0255; Dale Hopkins, Infomedia, 1642 Westwood Blvd., #202, Los Angeles, CA 90024, (213) 474-3332
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 8 pm-12 am EST wkdys
PROGRAM FORMAT: Sports, talk and news service.
SATELLITE: Satcom IIIR Tr. 4
SUBSCRIBER INFORMATION:
Affiliates: 1,250
As of: 02/09/88
Subscribers: 7,000,000
Price/sub: $.075-$.10
ADVERTISING:
Local Advertising Available
2mins/hr

Shop Television Network

(213) 871-8380

5842 Sunset Blvd.
Hollywood, CA 90028
PERSONNEL: Michael Rosen, CEO; John Cotter, CFO; Rene Aiu, VP/Marketing; Bill DeLany, VP/Sales & Marketing; Sue Cantor, Advertising Manager
TYPE OF SERVICE:
Basic Programming
Shopping Network
PROGRAM FORMAT: Half-hour segmented programming. Each segment is a themed program, i.e., jewelry, electronics, cooking, appliances and recipes.
SATELLITE: Satcom IIIR Tr. 5
SUBSCRIBER INFORMATION:
Affiliates: 100
As of: 02/01/88
Subscribers: 3,000,000

Silent Network, The

(213) 464-SIGN

6363 Sunset Blvd. Suite 930-B
Hollywood, CA 90028
PARENT COMPANY:
Silent Network Inc.
6363 Sunset Blvd.
Hollywood, CA 90028
PERSONNEL: Sheldon I. Altfeld, Chairman/CEO; Herbert W. Larson, President; Elizabeth Altfeld, CFO; Carol Mau, Director, Sales & Mktg; Susan H. Moore, Director, Special Promotions; Suzan G. Hendershot, Dir Affiliate & Community Relations
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 930am-1130am EST Sat.
PROGRAM FORMAT: Information, education and entertainment programming in sign language and voice; open captions for deaf, hearing-impaired and hearing viewers.
SATELLITE: Satcom F4 Tr. 23
SUBSCRIBER INFORMATION:
Affiliates: 296
As of: 01/01/88
Subscribers: 10,350,300
Price/sub: free

TELACTION®
Shopping at the speed of life®

Telaction Corp.
(312) 519-4242

1750 E. Golf Rd.
Century Centre
Schaumburg, IL 60173-5002
PARENT COMPANY:
J.C. Penney Co., Inc.
14841 North Dallas Parkway
Dallas, TX 55240-6760
PERSONNEL: Stuart MacIntire, CEO/President; Ben Allen, CFO; Kathleen Kanehann, Director/Advertising & Public Relations; Ed Merlis, President/Affiliate Division
TYPE OF SERVICE:
Basic Programming
Non-Satellite Fed National Shopping Network
PROGRAM FORMAT: Telaction is the first consumer-controlled cable television-delivered home shopping and information service.

TEMPO™ TELEVISION

Tempo TV
(918) 496-3200

6918 S. Yorktown
Tulsa, OK 74136
PARENT COMPANY:
Tempo Enterprises
6918 S. Yorktown
Tulsa, OK 74136
PERSONNEL: R.B. Smith, President; Thomas McKinney, Sr VP; Caroline Winston, VP Programming; Kiplyn Farmer VP Western Region; Judy Umlas VP Program Development; Stephen Olsen, Assistant VP; Fred Williams, Programming Director; Kip Farmer, VP Affiliate Sales; Thom McKinney, Sr VP Ad Sales
REGIONAL OFFICES: NE Region: 20 East 46th St. Suite 301, New York, NY 10017 (212) 867-7630; SE Region: 3530 Bomar Rd., Douglasville, GA 30135, (404) 949-6600; Great Lakes and South Central Region: 6918 S. Yorktown, Tusa, OK 74136 (918) 496-3200; Rocky Mountain Region: PO Box 37268 Denver, CO 80237 (303) 773-3030; Western Region: PO Box 2030, Beverly Hills, CA 90211 (213) 657-9006.
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Caters to 45-plus age demographics, with four program categories: entertainment; international-travel; sport-outdoor; and information-how to.
SATELLITE: Satcom IIIR Tr. 6
SUBSCRIBER INFORMATION:
Affiliates: 700
As of: 02/02/88
Subscribers: 14,500,000
Price/sub: free

ADVERTISING:
Local Advertising Available
2 mins/hr

THE TRAVEL CHANNEL

Travel Channel, The
(212) 692-3658

605 Third Ave.
New York, NY 10158
PARENT COMPANY:
TWA-The Travel Channel
605 Third Ave.
New York, NY 10158
PERSONNEL: Peter McHugh, President/CEO Jim Tracek, Sr VP Affiliate Sales & Programming; Earl Quenzel, Sr VP Mktg & Advertising; Doug Panetta, VP & Exec Producer; Jean Glass, Dir. Programming & Acquisitions; Goldstein, Direct Sales
REGIONAL OFFICES: 1825 Eye Street NW, Washington, DC 20006, (202) 457-1155, Francie Leader; 11495 Naterral Bridge Road, St. Louis, MO 63044, (314) 895-6749, Patty McCaskell; 7200 East Hampden Avenue, Suite 203, Denver, CO 80224, (303) 759-1322, Mark Dempsey; 1545 Wilshire Blvd., Suite 411, Los Angeles, CA 90017, (213) 413-7288, Michael Hanafee
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Travel programming, news, destination prices and travel bargains.
SATELLITE: Satcom IIIR Tr. 16
SUBSCRIBER INFORMATION:
Affiliates:
150
Subscribers:
9,700,000
ADVERTISING:
Local Advertising Available
2 mins/hr

Trinity Broadcasting Network
(714) 832-2950

2442 Michelle Drive
Tustin, CA 92711
PARENT COMPANY:
TBN
P.O. Box A
Santa Ana, CA 92711
REGIONAL OFFICES: National Sales, P.O. Box 4500, Woodland Park, CO 80866, (303) 687-0975, Jack Hightower; Central Region, 2810 E. Trinity Mills Road, Carrollton, TX 75006, (214) 931-9570, Gary Smith.
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Christian programming.
SATELLITE: F3R Tr. 3
SUBSCRIBER INFORMATION:
Affiliates: 515
Subscribers: 6,900,000
Price/sub: free

Univision
(212) 826-5200

767 5th Avenue
New York, NY 10153
PARENT COMPANY:
Univisa
9200 Sunset Blvd.
Los Angeles, CA 90069
PERSONNEL: Jaime DaVila, Chairman; Louis Nogales, President; Jack Kenny, CFO; Maite Berry, Ad Sales; Robert Hitchens, Mktg; Susan Calaphano, Affiliate Relations
REGIONAL OFFICES: One Magnificant Mile, Chicago, IL 60611-4501, (312) 944-2199, Ken Oetek; 5501 LBJ Freeway, Dallas, TX 75240, (214) 980-7636, Joe Villareal; 30700 Telegraph Road, Birmingham, MI 48010, (313) 540-5705, Peter Tate; 550 Baltimore Way, Coral Gables, FL 33134, (305) 444-0800, Hal Parks; 601 Montgomery Street, San Fransisco, CA 94111, (415) 392-2006, Susan Avila
TYPE OF SERVICE:
Basic Programming

PROGRAM HOURS: 24 hours
PROGRAM FORMAT:Servicing Latin community with Spanish language programming.
SATELLITE: Galaxy I Tr. 6, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates:
466
As of: 02/08/88
Subscribers: 4,717,000

USA NETWORK

USA Network
(212) 408-9100

1230 Avenue of the Americas
New York, NY 10020
PARENT COMPANY:
Paramount Pictures Corp./MCA

PERSONNEL: Kay Koplovitz, President/CEO; R. Kent Replogle, Exec VP/COO; David Bender, VP Research; Andrew Bensch, VP Mktg; Stephen Brenner, Sr VP, Business Affairs/Operations/General Counsel; David Kenin, Sr VP Programming; John Silvestri, Sr VP Ad Sales; Douglas Hamilton, VP/Finance/Admin.; Gil Faccio Sr., Carolyn McCrory, Betsy Dirnberger, Barbara Kirbach, VPs Affiliate Relations
REGIONAL OFFICES: The Fisher Building, 3011 W. Grand Blvd., Detroit, MI 48202 (Stephen van Ophuijsen)
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Broad based entertainment network.
SATELLITE: Galaxy 1 Tr. 21, Satcom IIIR Tr. 10, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 9,200
As of: 01/01/88
Subscribers: 42,000,000
Price/sub: $.13
ADVERTISING:
Local Advertising Available
2 mins/hr
RATINGS:
24 hours: 1.0
Primetime: 1.7
7 am-11 pm: 1.2
RATING SOURCE: Nielsen

VH-1
VIDEO HITS ONE™

Video Hits One (VH-1)
(212) 713-6841

1775 Broadway
10th Floor
New York, NY 10019
PARENT COMPANY:
Viacom International Inc.
1211 Avenue of the Americas
New York, NY 10036
PERSONNEL: Tom Freston, President/CEO; Douglas Greenlaw, Sr VP Advertising Sales; Robert J. Friedman, Sr VP Mktg & Promotion; John Shaker, Sr VP Eastern Div Affiliate Sales; Mark Rosenthal, Sr VP Western Div Affiliate Sales
REGIONAL OFFICES: Eastern Region: Howard Smith, 1133 Avenue of the Americas, 28th Floor, New York, NY 10036, (212) 944-4041; Southeastern Region: Kris Bagwell, 1800 Century Blvd., Suite 280, Atlanta, GA 30345, (404) 320-6808; Central Region: Patty Brennan, 303 E. Wacker Drive, Suite 428, Chicago, IL 60601, (312) 565-2300; Western Region: Roberta Koz, 10 Universal City Plaza, 30th Floor, Universal City, CA 91608, (818) 505-7800
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: music video network targeted at the 25-49 year-old audience. The network is programmed with contemporary adult hit videos and features on-air personalities with distinct individual styles. Interviews with top celebrities, original productions and animated material, breaking entertainment news, on-air contests and tour promotions.
SATELLITE: Galaxy 3 Tr. 15, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 1,715
As of: 12/31/87
Subscribers: 24,700,000
ADVERTISING:
Local Advertising Available
2 mins/hr

THE WEATHER CHANNEL

Weather Channel℠, The
(404) 434-6800

2840 Mt. Wilkinson Pkwy.
#200
Atlanta, GA 30339
PARENT COMPANY:
Landmark Communications Inc.
150 W. Brambleton Ave.
Norfolk, VA 23501
PERSONNEL: John O. Wynne, Chairman/CEO; Michael J. Eckert, President; Becky Ruthven, VP Affiliate Sales & Relations; Ed Peters, VP Ad Sales; Mike Lerner, VP Mktg; Tamra Davis, Regional Director; Belinda Sym-Smith, Manager Affiliate Mktg
REGIONAL OFFICES: 780 Third Ave. New York, NY 10017, Ed Peters; 435 N. Michigan Ave. Chicago, IL 60611, Dana Michaellis/VP; 25689 Kelly Rd. Suite D Roseville, MI 40866, Norm Zeller; 1925 Century Park East, Suite 830, Los Angeles, CA 90067, Mary Hogan
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: All weather programming furnishing round-the-clock international, national and local forecasts.
SATELLITE: Galaxy 3 Tr. 13
SUBSCRIBER INFORMATION:
Affiliates: 3,150
As of: 01/31/88
Subscribers: 33,000,000
Price/sub: varies
ADVERTISING: Local Advertising Available

WGN
If you dare to compare

WGN
(918) 665-6690

WATS(National). . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145

PARENT COMPANY:
United Video Inc.
3801 S. Sheridan
Tulsa, OK 74145
PERSONNEL: Lawrence Flinn Jr., Chairman; Roy L. Bliss, CEO; David W. Wheaton, CFO; Anne Wilkerson, Gen Mgr, Video Mktg/Sales; Sandy Neuzil, Sales Manager; Jeffrey C. Treeman, Sr VP Mktg/Sales; John Hawkins, Mgr. Adv & Promo; Diane Wells, Affiliate Program Supvsr
TYPE OF SERVICE:
Superstation
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Over 60 hours of movies each week, Cubs baseball, NCAA basketball
SATELLITE: Galaxy I Tr. 3
SUBSCRIBER INFORMATION:
Affiliates: 10,809
As of: 12/31/87
Subscribers: 24,267,983
Price/sub: $.10/sub

WWOR-TV

(315) 455-5955

WATS(National). . . .(800) 448-3322
112 Northern Concourse
Syracuse, NY 13221
PARENT COMPANY:
Newhouse Broadcasting
New York, NY
PERSONNEL: Arthur Perkins, General Manager; Gil Korta, National Marketing Director; Laurie Prouty-Silverman, Affiliate Relations Mgr.
TYPE OF SERVICE:
Superstation
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Featuring New York Mets, New York Knicks and New York Rangers. Many current movies plus older favorites
SATELLITE: Galaxy I Tr. 15, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 2,393
As of: 01/01/88
Subscribers: 12,000,000
Price/sub: $.10/sub

WPIX

(918) 665-6690

WATS(National). . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
3801 S. Sheridan
Tulsa, OK 74145
PERSONNEL: Lawrence Flinn Jr., Chairman; Roy L. Bliss, CEO; David W. Wheaton, CFO; Anne Wilkerson, Gen. Mgr. Video Mtkg/Sales; Sandy Neuzil, Sales Manager; Jeffrey C. Treeman, Sr. VP Mktg/Sales; John Hawkins, Mgr Adv & Promo; Diane Wells, Affiliate Programs Suprvsr
TYPE OF SERVICE: Superstation
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Big 8 basketball, New York Yankees, movie library of over 6,000 titles, FNN news.
SATELLITE: Satcom 4 Tr. 19
SUBSCRIBER INFORMATION:
Affiliates: 617
As of: 12/31/87
Subscribers: 9,620,241
Price/sub: $.10/sub

WTBS

(404) 827-1792

One CNN Center
Box 105366
Atlanta, GA 30348
PARENT COMPANY:
Turner Broadcasting
One CNN Center
Atlanta, GA 30348
PERSONNEL: R.E. (Ted) Turner, CEO; Paul Beckham, CFO; Gerry Hogan, President Entertainment Network; Bob Levi, VP/General Manager; Rex Lardner, VP Sports; Xernona Clayton, VP Public Affairs; Richard Melcombe, VP Program Development; Michael Oglesby, Director of Promotions; Terrence McGuire, Cable Sales
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Quality family viewing.
SUBSCRIBER INFORMATION:
Subscribers: 46,100,000
ADVERTISING:
Local Advertising Available

Wrestling Network, The

(214) 702-8814

920 Providence Towers E. #14
5001 Spring Valley Rd
Dallas, TX 75244-3901
PARENT COMPANY:
Jim Crockett Promotions
421 Briarbend Drive
Charlotte, NC 28209
PERSONNEL: Jim Crockett, President; Rob Garner, Sales; Ron Ames; Jim Barnett
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hrs (WTBS)
PROGRAM FORMAT: Wrestling programming to 200 syndicated networks & 4 hours of programming on WTBS.
SATELLITE: VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 200
As of: 02/08/88
ADVERTISING:
Local Advertising Available

CableVision has attempted to make the Program Network Guide as complete and accurate as possible. However, if there are questions concerning your listing, please contact Kathy Berlin at **(303) 860-0111**, 600 Grant St., Suite 600, Denver, CO 80203.

Pay programming

AMERICAN MOVIE CLASSICS SM

American Movie Classics
(516) 364-2222

150 Crossways Park West
Woodbury, NY 11797
PARENT COMPANY:
Cablevision
1 Media Crossways
Woodbury, NY 11797
PERSONNEL: Joshua Sapan, President; Kate MeEnroe, VP Field Operations; Carole Shander, VP Corp. Comm.
REGIONAL OFFICES: Eastern Region: Dennis Patton, 100 Crossways Park West, 2nd Floor, Woodbury, NY 11797 (516) 364-1160 (or 516-364-1116) Central Region: Kathy Dore, 1111 East Touhy Avenue, Suite 280, Des Plaines, IL 60018 (213) 296-0272 Western Region: Mary Murano, 10350 Santa Monica Blvd., Suite 330, Los Angeles, CA 90025
TYPE OF SERVICE:
Pay Programming
PROGRAM HOURS: 3 pm - 4:30 am EST wkdys
PROGRAM FORMAT: Classic movies from 1930's, 40's and 50's
SATELLITE: Satcom 4 Tr. 10, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 1,400
As of: 01/01/88
Subscribers: 10,000,000

Bravo SM
Cable Network

Bravo
(516) 364-2222

150 Crossways Park West
Woodbury, NY 11797
PARENT COMPANY:
Cablevision
1 Media Crossways
Woodbury, NY 11797
PERSONNEL: Joshua Sapan, President; William Phillips, General Manager; Bruce Ferguson, Dir. Sales & Mktg; Carole Shander, VP Corp. Communications; Joseph Schramm, Manager Affiliate Mktg
TYPE OF SERVICE:
Pay Programming
PROGRAM HOURS: 7:30 pm - 6 am EST
PROGRAM FORMAT: Features diverse and stimulating programming with the world's finest films as well as the best in music, theater, ballet, jazz, opera, and documentaries.
SATELLITE: Satcom F4 Tr. 2
SUBSCRIBER INFORMATION:
Affiliates: 325
As of: 01/01/88
Subscribers: 1,300,000

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cinemax

Cinemax
(212)-512-1000

1000 Aveune Of The Americas
New York, NY 10023
PARENT COMPANY:
Time Inc.
Time & Life Building
Rockefeller Center
New York, NY 10020
PERSONNEL: Michael Fuchs, Chairman/CEO; Joe Collins, President; Jeff Bewkes, CFO; Dan Levinson, VP Advertising & Promotions; John Billock, Sr VP Mktg; Barbara Jaffe, VP Sales, Promo & Development.
REGIONAL OFFICES: Live Oak Center, 3475 Lenox Road, NE, Atlanta, GA 30326, (404) 239-6600; 8600 West Byrn Mawr Avenue, Suite 400 North, Chicago, IL 60631, (312) 693-9800; 12750 Merit Drive,Suite 1200, Dallas, TX 75251, (214) 450-1000; The Quadrant 5445 DTC Parkway, Suite 700, Englewood, CO 80111, (303) 220-2900; 6300 Northeast First Avenue, Fort Lauderdale, FL 33334, (305) 491-0411; 9401 Indian Creek Parkway, Suite 900, Overland Park, KS 66210, (913) 451-5100; 2049 Century Park East, Suite 4100, Los Angeles, CA 90067, (213) 201-9200; Studio: 120A East 23rd Street, New York, NY 10010, (212) 512-7800; Communications Center: 300 New Highway, Hauppauge, NY 11788, (516) 361-8200; One Bala Cynwd Plaza, Suite 440, 231 St. Asaphs Road, Bala Cynwyd, PA 19004, (215) 668-6500; Two Embarcadero Center, Suite 840, San Francisco, CA 94111 (415) 765-7700
TYPE OF SERVICE:
Pay Programming
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: The HBO sister service offers a wide range of top-quality movies, original music and comedy programming and the much heraled "Cinemax Sessions" and "Cinemax Comedy Experiment" umbrellas.
SATELLITE: Satcom IIIR Tr. 23, Galaxy 1 Tr. 19
SUBSCRIBER INFORMATION:
Subscribers: 4,600,000

THE DISNEY CHANNEL
The consumer's choice

Disney Channel, The
(818)-569-7500

3800 W. Alameda
Burbank, CA 91505
PARENT COMPANY:
The Walt Disney Company
380 So. Buena Vista Street
Burbank, CA 91521
PERSONNEL: John F. Cooke, President; Patrick D. Davidson, VP; Paulo C. De Oliveira, VP Program Development; Stephen D. Fields, Vp Mktg; Mark A. Handler, VP Sales & Affiliate Mktg; George Leitner, VP National Accounts; Patrick T. Lopker, VP Finance/Treasurer; Thomas J. Wszalek, VP Consumer Mktg
REGIONAL OFFICES: Western Region: Ginny Overbach, 3800 West Alameda Ave., Burbank, CA 91505, (818) 569-7500; Eastern Region: Peter Carl, Katherine Ledwith, 477 Madison Ave. 5th Floor, New York, NY 11022, (212) 735-5383; Central Region: David Schreff, 205 N. Michigan Ave., Suite 714, Chicago, IL 60601, (312) 819-2660; Southeastern Region: Michael Mason, 3333 Peachtree St. NE, East Tower, Suite 600, Atlanta, GA 30326, (404) 262-1227; Southwestern Region: Garnet Rich, 6311 N. O'Connor Road, Irving, TX 75039, (214) 869-1726
TYPE OF SERVICE:
Pay Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Family entertainment, original films, specials

and series, as well as classic Hollywood motion pictures, films from the Disney library, acquisitions from around the world, and unique interstitial programming.
SATELLITE: Galaxy I Tr. 24 and Galaxy I Tr. 4
SUBSCRIBER INFORMATION:
Affiliates: 5,000
As of: 12/31/87
Subscribers: 3,810,000

Festival
(212) 512-1000

1100 Avenue of the Americas
New York, NY 10023
PARENT COMPANY:
Time Inc.
Time & Life Building
Rockefeller Center
New York, NY 10020
PERSONNEL: Michael Fuchs, Chairman/CEO; Joe Collins, President; Jeff Bewkes, CFO; Dan Levinson, VP Advertising & Promotion; John Billock, Sr VP Mktg; Barbara Jaffe, VP Sales, Promo & Development
REGIONAL OFFICES: Live Oak Center, 3475 Lenox Road, NE, Atlanta, GA 30326, (404) 239-6600; 8600 West Byrn Mawr Avenue, Suite 400 North, Chicago, IL 60631, (312) 693-9800; 12750 Merit Drive, Suite 1200, Dallas, TX 75251, (214) 450-1000; The Quadrant 5445 DTC Parkway, Suite 700, Englewood, CO 80111, (303) 220-2900; 6300 Northeast First Avenue, Fort Lauderdale, FL 33334, (305) 491-0411; 9401 Indian Creek Parkway, Suite 900, Overland Park, KS 66210, (913) 451-5100; 2049 Century Park East, Suite 4100, Los Angeles, CA 90067, (213) 201-9200; Studio: 120A East 23rd Street, New York, NY 10010, (212) 512-7800; Communications Center: 300 New Highway, Hauppauge, NY 11788, (516) 361-8200; One Bala Cynwd Plaza, Suite 440, 231 St. Asaphs Road, Bala Cynwyd, PA 19004, (215) 668-6500; Two Embarcadero Center, Suite 840, San Francisco, CA 94111 (415) 765-7700
TYPE OF SERVICE:
Pay Programming
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: HBO's newest pay service designed for people who do not subscribe to a premium service because of tastes and values. Programming is screened and selected for a target audience split evenly between those over 50 years of age and younger households with children
SATELLITE: Satcom K-1 Tr. 15

Home Box Office
(212) 512-1000

1100 Avenue Of The Americas
New York, NY 10023
PARENT COMPANY:
Time Inc.
Time & Life Building
Rockefeller Center
New York, NY 10020
PERSONNEL: Michael Fuchs, Chairman/CEO; Joe Collins, President; Jeff Bewkes, CFO; Dan Levinson, VP Advertising & Promotion; John Billock, Sr VP Marketing; Barbara Jaffe, VP Sales, Promo & Development
REGIONAL OFFICES: Live Oak Center, 3475 Lenox Road, NE, Atlanta, GA 30326, (404) 239-6600; 8600 West Byrn Mawr Avenue, Suite 400 North, Chicago, IL 60631, (312) 693-9800; 12750 Merit Drive, Suite 1200, Dallas, TX 75251, (214) 450-1000; The Quadrant 5445 DTC Parkway, Suite 700, Englewood, CO 80111, (303) 220-2900; 6300 Northeast First Avenue, Fort Lauderdale, FL 33334, (305) 491-0411; 9401 Indian Creek Parkway, Suite 900, Overland Park, KS 66210, (913) 451-5100; 2049 Century Park East, Suite 4100, Los Angeles, CA 90067, (213) 201-9200; Studio: 120A East 23rd Street, New York, NY 10010, (212) 512-7800; Communications Center: 300 New Highway, Hauppauge, NY 11788, (516) 361-8200; One Bala Cynwd Plaza, Suite 440, 231 St. Asaphs Road, Bala Cynwyd, PA 19004, (215) 668-6500; Two Embarcadero Center, Suite 840, San Francisco, CA 94111 (415) 765-7700
TYPE OF SERVICE:
Pay Programming
PROGRAM FORMAT: Variety programming offers an average of 18 motion pictures new to the service; 7 exclusive new entertainment specials, including music, comedy, original drama, documentary and series programming; sports programming plus special events, and 15 family programs. Some 34 HBO Pictures have been shown on the service.
SATELLITE: Satcom IIIR Tr. 13 & Galaxy 1 Tr. 23
SUBSCRIBER INFORMATION:
Subscribers: 15,500,000

Movie Channel, The
(212)-708-1645

1633 Broadway
New York, NY 10019
PERSONNEL: Winston H. Cox, Chairman; Ron Bernard, President; Jack Heim, Exec VP Sales & Affiliate Mktg; Fred Schneier, Exec VP Programming; Stu Ginsburg, VP Press/Public Relations; Andrew Sereysky, VP Advertising; Rick Howe, VP Affiliate Marketing
REGIONAL OFFICES: New York; Los Angeles; Houston; Chicago; Atlanta; Denver; San Francisco; Garden City, NY; Cincinnati; Portland, OR; Ft. Lauderdale, FL; Kansas City, MO.
TYPE OF SERVICE:
Pay Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: All-movie cable network with top international film festivals and latest box office smashes, many of them exclusive
SATELLITE: Galaxy I Tr. 10 (east), Tr. 14 (west)

Playboy Channel, The
(213)-659-4080

8560 Sunset Blvd.
Los Angeles, CA 90069
PARENT COMPANY:
Playboy Enterprises Inc.
8560 Sunset Blvd.
Los Angeles, CA 90069
PERSONNEL: Richard V. Sowa, President/Playboy Video Corp.; Que Spaulding, President/Playboy Program Distr Co.; Edward L. Rissien, President/Playboy Programs; Mike Hale, VP Mktg; Michael K. Fleming, VP Sales

& Affiliate Relations; Mary Beth Callahan, PR/Publicity
REGIONAL OFFICES: Western Region: Regional Director. Michael Feinner, 8650 Sunset Blvd., Los Angeles, CA 90060 (213) 659-4080; Central Region: Regional Director, Brian Quirk, 919 N. Michigan Ave., Chicago, IL 60611 (312) 751-8000; Eastern Region: Regional Director, Jack Matthews, 1400 Lake Hearn Drive, Suite 325, Atlanta, GA 30319 (404) 843-5780.
TYPE OF SERVICE:
Pay Programming
PROGRAM HOURS: 10/8pm-6am
PROGRAM FORMAT: A targeted, differentiated, service featuring a variety of sophisticated adult-oriented programming. Exclusive original series and specials as well as acquired motion pitcures.
SATELLITE: Satcom IV Tr. 24

SHOWTIME.

Showtime
(212)-708-1552

1633 Broadway
New York, NY 10019
PARENT COMPANY:
Viacom Networks Group
1633 Broadway
New York, NY 10019
PERSONNEL: Winston H. Cox, Chairman; Ron Bernard, President; Jack Heim, Exec VP/Sales & Affiliate Mktg; Fred Schneier, Exec VP Programming; Stu Ginsburg, VP Press/Public Relations; Andrew Sereysky, VP Advetising; Rick Howe, VP Affiliate Mktg
REGIONAL OFFICES: New York; Los Angeles; Dallas; Houston; Chicago; Atlanta; Denver; Garden City, NY; San Francisco; Portland, OR; Cincinnati; Ft. Lauderdale, FL; and Kansas City, MO.
TYPE OF SERVICE:
Pay Programming
PROGRAM FORMAT: Nation's second largest pay service, offering 24-hour schedule of exclusive blockbuster movies, comedy series and specials, concerts, Broadway plays, original movies and mini-series, championship boxing, family programs and classic films.
SATELLITE: Galaxy 1 Tr. 5 (east), Tr. 16 (west)

X•PRESS
Your System

X*PRESS Information Services Ltd.
(303) 721-1062

WATS(National). . .(800) 7PC NEWS
Regency Plaza One Ste. 340
4643 S Ulster St.
Denver, CO 80237
PARENT COMPANY:
TCI
Regency Plaza One
4643 S Ulster One, Ste. 340
Denver, CO 80237
PERSONNEL: Dr. Gerald Bennington, President; Susan Gunn, Dir of Corporate Communication; Elizabeth Cole, Mgr/Affiliate Relations
TYPE OF SERVICE:
Basic Programming
Pay Programming
Text
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: A computer information service delivered via satellite to personal computers. There are two services available: X*PRESS, a basic cable service that is family oriented, and X*PRESS Executive, a pay service designed for the investor. Besides the TCI partnership, X*PRESS is also owned by McGraw Hill, Inc., 1221 Avenue of the Americas, New York, NY 10020.
SATELLITE: Galaxy 1
SUBSCRIBER INFORMATION:
Affiliates: 347
As of: 01/01/88
Subscribers: 11,000
Price/sub: 19.95/mo

1988 Network Program Guide Staff

EDITORIAL
William McGorry, Publisher
Steve Tuttle, Editor, Associate Publisher
Kathy Berlin, Director of Research,
Linda J. Johnson, Production Editor
Jamie Bird, Research Assistant

PRODUCTION
Jeff Knight, Production Director
Don Ruth, Graphics Director
Elaine Callahan, Production Assistant
Debbie Van Dyke, Production Assistant

ADVERTISING
Josh Gordon, Associate Publisher/Ad Director
Elaine Allmonti and Stacey Kibel, New York Regional Sales Managers
Jim Dickson, Denver Regional Sales Manager

CableVision

Audio

Cable Radio Network
(818) 352-7152

WATS(State). . . . . .(818) 352-3229
10487 Sunland Blvd.
Sunland, CA 91040
PARENT COMPANY:
Big Horn Productions
10487 Sunland Blvd.
Sunland, CA 91040
PERSONNEL: Michael Horne, President/General Manager; Lisa Phillips, Mktg Director/Affiliate Relations; Melody Kishimoto, Business Manager; Robert Lane, Production Director; Patricia Kneale, Advertising Sales Manager
REGIONAL OFFICES: Tyme Sales, 9250 Wilshire Blvd. #LL14, Beverly Hills, CA 90212 (213) 276-9960
TYPE OF SERVICE:
Audio Services
PROGRAM HOURS: 24 hours
PROGRAM FORMAT:Music, news, sports and highlights of cable programming. The only radio station programmed exclusively for cable TV with character generated channels, FM service and music on hold services.
SATELLITE: Satcom IIIR Tr. 4
SUBSCRIBER INFORMATION:
Affiliates: 39
As of: 02/01/88
Subscribers: 1,700,000
ADVERTISING:
Local Advertising Available
2 mins/hr

Galactic Radio, Inc.
(303) 792-3111

9697 E Mineral Ave.
Englewood, CO 80112
PARENT COMPANY:
Jones International, Ltd.
9697 E Mineral Ave.
Englewood, CO 80112
PERSONNEL: Glenn R. Jones, Chairman; James J. Krejci, Group Vice President; Jeffrey T. Hansen, General Manager; Lucy A. Strupp, Creative Services Director
TYPE OF SERVICE:
Audio Services
PROGRAM HOURS: 24 hrs/7 days
PROGRAM FORMAT: Cable audio programmer offering seven distinctive formats to cable operators nationwide. Formats include new age of jazz, white-n-lively rock, soft sounds, America's country favorites, "Your Hot Rock Connection", classical collections and the "End-Touch Network" for the visually impaired listener. Minimum of advertising, offering 56 minutes of music per hour on each station.
SATELLITE: Galaxy 3 Tr. 2
SUBSCRIBER INFORMATION:
Affiliates: 2
As of: 02/11/88
Subscribers: 1,000,000
Price/sub: .5-.10/sub
ADVERTISING:
Local Advertising Available
1-2 mins/hr

Greek Radio Network of America
(215) 565-9510

60 Old State Road
Media, PA 19063
PERSONNEL: Harry P. Pappas, Chairman; Dimitrios Balalis, Director/National Advertising/Mktg; Nakis Yiannopoulos, Director /Programming; Linda Pappas, Public Relations (American); Vasilios Alexopoulos, Public Relations (Greece); Miss Koula Muratidis, Production; Ken Olderfer, Administrative Assistant
TYPE OF SERVICE:
Audio Services
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Launched in 1979, Greek Radio Network brings, via satellite, complete bilingual programming. This unique audio network is not offered by anyone else in the United States or Canada. Programming includes: A wide variety of English and Greek music (from rock & roll to easy listening), national and international news, live soccer games from Greece, contests, promotions and women's, children's, and religious programming. The Greek Radio Network is used as an educational tool in many schools.
SATELLITE: Galaxy I Tr. 15, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 11
As of: 12/01/87
Subscribers: 150,000
Price/sub: varies
ADVERTISING:
Local Advertising Available
7 mins/hr

KKGO-The Jazz Network
(918) 665-6690

WATS(National). . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
3801 S. Sheridan
Tulsa, OK 74145
PERSONNEL: Lawrence Flinn, Jr., Chairman; Roy L. Bliss, CEO; David W. Wheaton, CFO; Jeffrey C. Treeman, Sr VP Mktg/Sales; Anne Wilkerson, Gen Mgr, Video Sales/Mktg; Sandy Neuzil, Sales Manager; John Hawkins, Mgr, Adv & Promo; Diane Wells, Affiliate Programs Supervisor
TYPE OF SERVICE:
Audio Services
PROGRAM HOURS: 24 hours
PROGRAM FORMAT:Super Jazz FM radio service, jazz concerts and festivals.
SATELLITE: Satcom IIIR Tr. 4
SUBSCRIBER INFORMATION:
Affiliates: 16
As of: 12/31/87
Subscribers: 131,832
Price/sub: $.02/sub

Moody Broadcasting Network
(312)-329-4433

WATS(National). . . .(800)-621-7031
820 N LaSalle Dr.
Chicago, IL 60610
PARENT COMPANY:
Moody Bible Institute
820 N LaSalle Dr.
Chicago, IL 60610
PERSONNEL: Dr. Joseph Stowell, CEO; Robert C. Neff, VP Broadcasting; Wayne Shepherd, Manager of Programming; Bob Norris, Administrator/Network Development; David Woodworth, Asst. Administrator/Network Development; Becky Horne, Network Representative; Scott Yahr, Network Representative
TYPE OF SERVICE:
Audio Services
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Non-denomination religious and educational channel featuring: music, drama, talk, news and public affairs. Also includes family, children's, and special seasonal programming.
SATELLITE: Westar 5 Tr. 13
SUBSCRIBER INFORMATION:
Affiliates: 62
As of: 01/31/88
Subscribers: 935,528

Satellite Radio Network
(704) 552-2103

WATS(National). . . . .(800) 438-6311
1 South Executive Park
Suite 403
Charlotte, NC 28287
PERSONNEL: John Tyler, Chairman; Michael Glinter, President/CEO//CFO; Penelope Fisher, Director Affiliate Relations
TYPE OF SERVICE:
Basic Programming
PROGRAM HOURS: 24 hours
PROGRAM FORMAT:Religious programming that encompasses talk, music, live programs, taped and teaching programs. Satellite Network also features religious programs that are sports or politically related. Feature feeds are on Westar 5 Tr. 13.
SATELLITE: Galaxy 1 Tr. 17
SUBSCRIBER INFORMATION:
Affiliates: 230
As of: 02/01/88
ADVERTISING:
Local Advertising Available varies

Seeburg Music Satellite Network
(919) 851-5823

WATS(National). . . .(800) 334-1561
WATS(State). . . . . .(800) 662-7332
5706 New Chapel Hill Road
Raleigh, NC 27607
PARENT COMPANY:
Capitol Broadcasting Co. Inc.
711 Hillsborough St.
Box 12800
Raleigh, NC 27605
PERSONNEL: Steve Grissom, VP; Bill Fox, General Manager; Terri Woods, CFO; Bonnie Sullivan, National Sales Coordinator; Bill Werner, Mktg Consultant; Sherrill Williams, Manager/ Affiliate Relations
TYPE OF SERVICE:
Audio Services
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: #1 Lifestyle Contemporary Instrumental -- the new sound background music -- well-known recognizable songs recorded in today's brighter, livelier, instrumental style. #2 Lifestyle Adult Contemporary -- top vocal hits, current billboard top 40 and hot 100 chart leaders, original albums and original artists, today's most popular music.
SATELLITE: Galaxy Tr. 3
SUBSCRIBER INFORMATION:
Affiliates: 147
As of: 01/27/87
Subscribers: 2,850,000
Price/sub: .01/mo

Tempo Sound
(918) 496-3200

6918 S. Yorktown
Tulsa, OK 74136
PARENT COMPANY:
Tempo Enterprises
6918 S. Yorktown
Tulsa, OK 74136
PERSONNEL: Stephen Olsen, Assistant VP; Thom McKinney, Sr. VP/Advertising Sales; Kip Farmer, VP Affiliate Sales; Fred Williams, Programming Director
REGIONAL OFFICES: NE Region: 20 East 46th St. Suite 301, New York, NY 10017 (212) 867-7630; SE Region: 3530 Bomar Rd., Douglasville, GA 30135, (404) 949-6600; Great Lakes and South Central Region: 6918 S. Yorktown, Tusa, OK 74136 (918) 496-3200; Rocky Mountain Region: PO Box 37268 Denver, CO 80237 (303) 773-3030; Western Region: PO Box 2030, Beverly Hills ,CA 90211 (213) 657-9006.
TYPE OF SERVICE:
Audio Services
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Album oriented rock, country western, adult contemporary, comedy, big band, 50's, 60's & 70's, jazz, easy listening, in touch. All formats are commercial free.
SATELLITE: Galaxy I Tr. 2 and SatcomIII/6
SUBSCRIBER INFORMATION:
Affiliates: 107
As of: 02/01/88
Subscribers: 1,250,000
Price/sub: Varies

WFMT
(918) 665-6690

WATS(National). . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
3801 S. Sheridan
Tulsa, OK 74145
PERSONNEL: Lawrence Flinn, Jr., Chairman; Roy L. Bliss, CEO; David W. Wheaton, CFO; Jeffrey C. Treeman, Sr. VP Mktg/Sales; Anne Wilkerson, Gen Mgr, Video Mktg/Sales; Sandy Neuzil, Sales Manager; John Hawkins, Mgr, Adv & Promo; Diane Wells, Affiliate Programs & Supervisor
TYPE OF SERVICE:
Audio Services
PROGRAM HOURS: two hrs/day
PROGRAM FORMAT:WFMT delivers fine arts, classical FM music live from Chicago.
SATELLITE: Galaxy I Tr. 3
SUBSCRIBER INFORMATION:
Affiliates: 177
As of: 12/31/87
Subscribers: 1,233,355
Price/sub: $.02/sub

Text services

AP/ News Plus
(202) 955-7200

1825 K Street NW
Suite 615
Washington, DC 20006
PARENT COMPANY:
The Associated Press/Tribune
1825 K Street
Suite 615
Washington, DC 20006
PERSONNEL: Greg Groce, Director of Cable Services; John Strachan, National Cable Exec.
REGIONAL OFFICES: Annabella Riccio, National Cable Executive, Suite 500, South Tower, One CNN Center, Atlanta, GA (404) 522-8971; Susan Burgstiner, National Cable Exec, 1444 Wazee Street, #130, Denver, CO 80202-1395 (303) 825-0123; National Cable Exec, 215 West Pershing Street, Kansas City, MO 64108-1850 (816) 421-6725
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Graphics-enhanced, general news automated information service including news, weather, sports and business.
SATELLITE: Westar IV Tr. 6
SUBSCRIBER INFORMATION:

Affiliates: 90
As of: 01/01/88
Subscribers: 2,200,000
Price/sub: varies
ADVERTISING:
Local Advertising Available
2 mins/hr

AP/TMS Inform. Serv./News Cable
(202) 955-7200

1825 K Street NW
Suite 615
Washington, DC 20006
PARENT COMPANY:
The Associated Press/Tribune
1825 K Street NW
Suite 615
Washington, DC 20006
PERSONNEL: Greg Groce, Director Cable Services; John A. Strachen, National Cable Exec
REGIONAL OFFICES: Annabella Riccio, National Cable Executive, Suite 500, South Tower, One CNN Center, Atlanta, GA (404) 522-8971; Susan Burgstiner, National Cable Exec, 1444 Wazee Street, #130, Denver, CO 80202-1395 (303) 825-0123; National Cable Exec., 215 West Pershing Street, Kansas City, MO 64108-1850 (816) 421-6725
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: Text-only general news and information service. Includes general, business, financial and sports news.
SATELLITE: Westar IV & III, Tr. 1
SUBSCRIBER INFORMATION:
Affiliates: 106
As of: 01/01/88
Subscribers: 1,500,000
ADVERTISING:
Local Advertising Available
2 mins/hr

AP/TMS-BusinessWatch
(202) 955-7200

1825 K Street St.NW
Washington, DC 20006
PARENT COMPANY:
The Associated Press/Tribune
1825 K Street NW
Washington, DC 20006
PERSONNEL: Greg Grose, Director of Cable Services; John A. Strachan, National Cable Exec.
REGIONAL OFFICES: Annabella Riccio, National Cable Exec, Suite 500, South Tower, One CNN Center, Atlanta, GA (404) 522-8971; Susan Burgstiner, National Cable Exec, 1444 Wazee Street, #130, Denver, CO 80202-1395 (303) 825-0123; National Cable Executive, 215 West Pershing Street, Kansas City, MO 64108-1850 (816) 421-6725
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: A business and financial information service, graphics-enhanced, which includes continuous display of the New York Stock Exchange crawl, fifteen minutes delayed.
SATELLITE: Westar IV Tr. 6
SUBSCRIBER INFORMATION:
Affiliates: 56
As of: 01/01/88
Subscribers: 1,700,000
Price/sub: varies
ADVERTISING:
Local Advertising Available
2 mins/hr

Choice Entertainment
(213)-530-2217

2790 Skypark Dr. #213
Torrence, CA 90505
PERSONNEL: Richard Kulis, CEO; Jack Smith, Executive VP; Judy Kulis, VP/Mktg
PROGRAM HOURS: Program by program
PROGRAM FORMAT: Create and distribute sports and entertainment pay-per-view events.
ADVERTISING:
Local Advertising Available
varies

Classified Channel
(408) 947-4488

1302-A N. Fourth St.
San Jose, CA 95112
PERSONNEL: J.R. Brown, General Manager
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Classified commercials in four, 15 minute segments, which includes real estate, general retail, automotive and employment.
SATELLITE: digital

Data Broadcasting Corp.
(703) 790-3570

WATS(National). . . . .(800) 777-3334
8300 Old Courthouse Road
Vienna, VA 22180
PARENT COMPANY:
Financial News Network
320 Park Avenue
New York, NY 10022
PERSONNEL: Paul Steinle, CEO; Cathy Flynn, VP Mktg; Carl Minor, Director of Sales/Sub Sales; Ed Berenhaus, VP Advertising & Promo/FNN; Thomas Wolfsohn, Director Affiliate Mktg/Cable Sales
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Stock quotations and financial information delivered to personal computers in the vertical blanking intervals of the FNN cable TV signal.
SATELLITE: Satcom 3R, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 433
As of: 01/29/87
Subscribers: 1,545
Price/sub: $80-$480/mon

EPG Jr. Electronic Prog. Guide
(918) 665-6690

WATS(National). . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
3801 S. Sheridan
Tulsa, OK 74145
PERSONNEL: Joe D. Batson, General Manager; Virgle Smith, VP/Sales
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: On-screen guide for systems of 5,000 and fewer subscribers. Customized by system and updated daily. Local ad insertions.
SATELLITE: Galaxy I Tr. 3
SUBSCRIBER INFORMATION:
Affiliates: 114
Subscribers: 124,786

Electronic Program Guide
(918) 665-6690

WATS(National). . . .(800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
3801 S. Sheridan
Tulsa, OK 74145
PERSONNEL: Joe D Batson, General Manager; Virgle Smith, VP/Sales; Chris Bourne, VP MktgepIL0FT1SZ9LS1RRPI0PROGRAM HOURS: 24 hours
PROGRAM FORMAT: System specific combination of program listings with continuous video promotion spots of all national cable networks. Program title, network, time and channel number are displayed simultaneous to promotional spots.
SATELLITE: Satcom IV Tr. 8

SUBSCRIBER INFORMATION:
Affiliates: 72
As of: 02/29/88
Subscribers: 1,400,000
Price/sub: $.03
ADVERTISING:
Local Advertising Available
10 mins/hr

Genesis StoryTime
(204) 253-7683

91 Edgemont Dr.
Winnepeg, Manitoba, R2J 3H7
PERSONNEL: Gregory Stetski, Sales Manager
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Storybooks with pictures and text using computer graphics. Teaches reading while entertaining. Endorsed by NEA and recommended in concept by the NPTA.
SATELLITE: Satcom IIIR Tr. 3 sub carrier
SUBSCRIBER INFORMATION:
Affiliates: 38
As of: 01/01/88
Subscribers: 1,515,000
Price/sub: None

Prevue Guide
(918) 665-6690

WATS(National). . . .(800) 331-4806
3801 South Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video
3801 South Sheridan
Tulsa, OK 74145
PERSONNEL: Joe D. Batson, General Manager; Virgle Smith, VP Sales; Chris Bourne, VP Mktg/Operations; Marla Kinsaul, Western Region Sales; Elaine Estes, Central Region Sales; Donna Davis, Northeastern Region Sales
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: System specific rolling log of program listings, including time, channel, network and program.
SUBSCRIBER INFORMATION:
Affiliates: 425
As of: 01/01/31
Subscribers: 7,900,000
ADVERTISING:
Local Advertising Available
8.5 mins/hr

Sports News Satellite
(203) 965-6789

250 Arbor Dr.
PO Box 10210
Stamford, CT 06904
PARENT COMPANY:
Phoenix Communications Group
1212 6th Avenue
New York, NY 10036
PERSONNEL: Jeff Belinfante, Exec Producer
PROGRAM HOURS: 17 hrs
PROGRAM FORMAT: A national sports news network.
SATELLITE: Telstar 301, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 150
As of: 01/31/87

CABLE SportsTracker

Sportstracker
(918) 665-6690

WATS(National). . . .(800) 331-4806
3801 South Sheridan
Tulsa, OK 74145
PARENT COMPANY: United Video Inc.
3801 S. Sheridan, Tulsa, OK 74145
PERSONNEL: Joe D. Batson, General Manager; Virgle Smith, VP/Sales; Chris Bourne, VP/Mktg/Operations; Marla Kinsaul, Western Region Sales; Elaine Estes, Central Region Sales; Donna Davis, Northeastern Region Sales
PROGRAM HOURS: 24 Hours
PROGRAM FORMAT: Sports information, listing professional and collegiate sports results in addition to horse racing information.
SATELLITE: Galaxy Tr. 3
SUBSCRIBER INFORMATION:
Affiliates: 38
As of: 01/31/88
Subscribers: 1,800,000
ADVERTISING:
Local Advertising Available
unlimited

X•PRESS

X*PRESS Info. Services Ltd.
(303) 721-1062

WATS(National). . .(800) 7PC NEWS
Regency Plaza One Ste. 340
4643 S Ulster St.
Denver, CO 80237
PARENT COMPANY:
TCI
Regency Plaza One
4643 S Ulster One, Ste. 340
Denver, CO 80237
PERSONNEL: Dr. Gerald Bennington, President; Susan Gunn, Director of Corporate Communication; Elizabeth Cole, Mgr/Affiliate Relations
TYPE OF SERVICE:
Basic Programming
Pay Programming
Text
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: A computer information service delivered via satellite to personal computers with two services available: X*PRESS, a basic cable service that is family oriented, and X*PRESS Executive, a pay service designed for the investor. X*PRESS is also owned by McGraw Hill Inc., 1221 Avenue of the Americas, New York, NY 10020.
SATELLITE: Galaxy 1
SUBSCRIBER INFORMATION:
Affiliates: 347
As of: 01/01/88
Subscribers: 11,000
Price/sub: 19.95/mo

Pay-per-view networks

American Exxxtasy
(212) 696-4111

WATS(National). . . .(800) 824-2454
419 Park Ave. South
Suite 400
New York, NY 10016
PARENT COMPANY:
HDO Satellite Networks Inc.
419 Park Ave. South
Suite 400
New York, NY 10016
PERSONNEL: Paul L. Klein, Chairman; Robert Kramer, CFO; Jeffrey Younger, VP/Programming; Gibi Brown, VP Sales/Affiliate Relations; Colette Conner, Director, Advertising/Promotion;
PROGRAM HOURS: 6pm-6am EST
PROGRAM FORMAT: American Exxxtasy is an unedited adult movie service available seven nights a week, primarily to the TVRO market. Price per subscriber/40% gross revenue, minimum $1.00 per buy.
SATELLITE: Spacenet I Tr. 18, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 72
As of: 01/20/88
Subscribers: 69,000

Cable Video Store
(215)-674-4800

WATS(National). . . .(800) 523-6678
WATS(State). . . . . .(800) 562-6965
2200 Byberry Rd.
Hatboro, PA 19040
PARENT COMPANY:
Gen Instr.-Jerrold Division
767 Fifth Avenue
45th Floor
New York, NY 10153
PERSONNEL: Hal M. Krisbergh, CEO; Tom Lynch, CFO; Susan C. Greene, VP; Jeremy Rosenberg, Director of Operations; Bonnie Bratby, Mgr Advertising & Promotions; Ginny Morris, Affiliate Relations
REGIONAL OFFICES: Northeast Region: 767 Fifth Avenue, New York, NY 10153, (212) 207-6300; Southeast Region: 2200 Byberry Road, Hatboro, PA 19040, (215) 674-4800; Central Region: 2611 Westgrove Road Suite 109, Carrollton, TX 75006, (214) 248-7931; Western Region: 7100 East Belleview Suite 101, Englewood, CO 80111, (303) 740-6118
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Jerrold's Cable Video Store is a satellite-delivered Impulse-Pay-Per-View service in which subscribers can push a button to rent a movie. CVS features both the newer movies, many premiering day and date with the video cassette release, and a number of high quality recent and older titles.
SATELLITE: Galaxy 3 Tr. 5, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 50
As of: 02/01/88
Subscribers: 100,000

Choice Entertainment
(213)-530-2217

2790 Skypark Dr. #213
Torrence, CA 90505
PERSONNEL: Richard Kulis, CEO; Jack Smith, Executive VP; Judy Kulis, VP/Mktg
PROGRAM HOURS: Program by Program
PROGRAM FORMAT: Create and distribute sports and entertainment pay-per-view events.
ADVERTISING:
Local Advertising Available
varies

Home Premiere Television
(212) 486-6600

800 3rd. Ave 16th Floor
New York, NY 10022
PARENT COMPANY:
Pay-Per-View Network
800 3rd. Ave. 16th Floor
New York, NY 10022
PERSONNEL: James O. Hayworth, President; J. Robert Bedell, VP/Mktg; James English, VP/Programming; William Sutera, VP/Finance
PROGRAM HOURS: 22 hours
PROGRAM FORMAT: Home Premiere plays Hollywood films, family programming, drive-in movies, and special event on a pay-per-view basis.
SATELLITE: Galaxy 3 Tr. 16, VideoCipher encrypted
SUBSCRIBER INFORMATION:
As of: 01/01/88
Subscribers: 500,000
Price/sub: varies

The PLAYBOY Channel
It's Fun Entertainment for Adults!

PLAYBOY ON DEMAND
(213) 659-4080

8560 Sunset Blvd.
Los Angeles, CA 90069
PARENT COMPANY:
Playboy Enterprises Inc.
8560 Sunset Blvd.
Los Angeles, CA 90069
PERSONNEL: Edward L. Rissien, President/Playboy Programming; Mike Hale, VP Mktg; Michael K. Fleming, VP Sales/Affiliate Relations; Mary Beth Callahan, PR/Affiliate Relations; Bill Farley, PR/Affiliate Relations; Cindy Rakowitz, PR/Affiliate Relations
REGIONAL OFFICES: Western Region: Regional Director, Michael Feinner, 8650 Sunset Blvd., Los Angeles, CA 90060 (213) 659-4080; Central Region: Regional Director, Brian Quirk, 919 N. Michigan Ave., Chicago, IL 60611 (312) 751-8000; Eastern Region: Regional Director, Jack Matthews, 1400 Lake Hearn Drive, Suite 325, Atlanta, GA 30319 (404) 843-5780.
PROGRAM HOURS: 8pm-6pm. Fri. and/or Sat.
PROGRAM FORMAT: Playboy Channel programming to addressable subscribers on a pay-per-night or pay-per-weekend basis. Programming features a wide variety of sophisticated adult-oriented programs including exclusive original series and specials as well as acquired motion pictures.
SATELLITE: Satcom IV Tr. 24, VideoCipher encrypted

Prime Ticket Network
(213) 672-8000

401 S. Prairie Ave.
Suite 104
Inglewood, CA 90301
PERSONNEL: Tony Acone, President; John Jackson, Programming; Tim Krass, Mktg Manager; Keith Harris, Executive Producer; Brent Imai, Executive Producer; Tom Feuer, Director of Communications; Mat Tinley, New Business Development; David Forier, Forum Entertainment Network
TYPE OF SERVICE:
Basic Programming
Regional Entertainment
PROGRAM HOURS: 5pm-12am PST
PROGRAM FORMAT: Regional sports network in the west (Southern California, Arizona, Nevada and Hawaii) offering Los Angeles Lakers, Los Angelas Kings, boxing, tennis, Los Angeles Lazers and San Diego Sockers, MISL Soccer, and college athletics from UCLA; USC; Nevada-Las Vegas. Also offering special pay-per-view events.
SATELLITE: Satcom IV Tr. 20
SUBSCRIBER INFORMATION:
Affiliates: 40
As of: 02/01/88
Subscribers: 2,300,000
Price/sub: varies
ADVERTISING:
Local Advertising Available
1 min/30 min

REQUEST.
AMERICA'S #1 RENT-A-MOVIE CHANNEL™

Request Television
(212) 984-5900

140 E. 45th St.
40th Floor
New York, NY 10017
PARENT COMPANY:
Reiss Media Enterprises Inc.
140 E. 45th St.
40th Floor
New York, NY 10017

PERSONNEL: Paul Fitzpatrick, President; Bruce Allen, VP Operations/Production; Mark Cutten, VP Program Scheduling; Craig Wilson, VP Sales/Mktg & Programming; Colleen Cahill, Director Corporate Sales; Jay Rubin, Trade Mktg & Public Relations; Ron Midili, Affiliate Services
REGIONAL OFFICES: 211 Perimeter Center Parkway, NE, Suite 1070, Atlanta, GA 30346, (404) 392-9860; 1701 East Woodfield Road Suite 421, Schaumberg, IL 60195, (312) 884-1390; 10100 Santa Monica Blvd., Suite 470, Los Angeles, CA 90067, (213) 557-9828
PROGRAM HOURS: 20 hours
PROGRAM FORMAT: Minimum of four major motion pictures continuously each week plus special events. Marketing and technical support services.
SATELLITE: Galaxy I Tr. 12, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 160
As of: 12/31/87
Subscribers: 3,800,000

Telstar Channel/Zap Movies
(213)-556-5650

WATS(National). . . .(800) TELSTAR
1900 Avenue of the Stars
Suite 2500
Los Angeles, CA 90067
PARENT COMPANY:
Satellite Corp of America
1900 Avenue of the Stars
Suite 2500
Los Angeles, CA 90067
PERSONNEL: Jane Bartell, Mktg; Anne Droste, Affiliate Relations
PROGRAM HOURS: 12 hrs PPV
PROGRAM FORMAT: Multi-channel satellite delivered pay services.
SATELLITE: Spacenet II Trs. 1, 3, 23 and 11, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 7
As of: 02/08/88
Subscribers: 160,000

Tuxxedo Network
(212) 696-4111

WATS(National). . . .(800) 824-2454
419 Park Avenue South
Suite 400
New York, NY 10016
PARENT COMPANY:
Tuxxedo Network Inc.
419 Park Avenue South
Suite 400
New York, NY 10016
PERSONNEL: Paul L. Klein, Chairman; Robert Kramer, CFO; Jeffrey Younger, VP Programming; Colette Conner, Director Advertising/Promotion; Gibi Brown, VP Sales/Affiliate Relations
PROGRAM HOURS: 7am-6am EST
PROGRAM FORMAT: A targeted, diversified, pay-per-view or pay-per-night service featuring a wide variety of sophisticated features. Price per subscriber is 25% of gross revenues, minimum $1.00 per buy.
SATELLITE: Galaxy 2 Tr. 10, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 105
As of: 01/20/88

Viewer's Choice
(212) 708-1600

1633 Broadway
15th Floor
New York, NY 10019
PARENT COMPANY:
Viacom International Inc.
1211 Avenue of the Americas
New York, NY 10019
PERSONNEL: Scott P. Kurnit, President; Thomas Neville, VP Research & Planning; Madge Rubenstein, VP Programming; Susan Weinstein, Director Program Acquisition & Broadcast Operations; Sharon Portin, VP National Sales; David Kline, Director/Eastern US; Don Starcke, Director/Western US; Susan Kroll, Manager/Consumer Mktg; Jane Alexander Bulman, Director Affiliate Mktg; Susan O'Meara, Manager
REGIONAL OFFICES: 10 Universal City Plaza, Universal City, CA 91608-1097, (818) 505-7744, Sharon Portin; 666 Old Country Road, Garden City, NY 11530, (516) 222-0122, Joe Scotti; 303 East Wacker Drive, Suite 2024, Chicago, IL 60601, (312) 993-0100, Carl Schulz; 1040 Crown Pointe Parkway, Suite 850, Atlanta, GA 30338, (404) 396-1333, Barry Goldberg; 5000 Quorom Drive, Suite 455, Lock Box 59, Dallas, TX 75240, (214) 241-1421, Jeff Wade; 8000 East Prentice Avenue, Bldg D-8, Englewood, CO 80111, (303) 850-7380, Mac Lipscomb
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: VC-1: Four to eight of Hollywood's biggest hits each month, plus special events. VC-2: Holdover hits from VC-1, plus 4-6 additional titles.
SATELLITE: Galaxy 3 Tr. 21 and Galaxy 3 Tr. 18, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 130
As of: 01/31/88
Subscribers: 3,800,000
Price/sub: varies

Pay-per-view suppliers

Atlantic Releasing Corp.
(213) 650-2500

8255 Sunset Blvd.
Los Angeles, CA 90046
PERSONNEL: Jonathon Dana, President/Motion Pictures/TV

Columbia Pictures
(818) 954-1080

4000 W. Alameda Suite 501
Burbank, CA 91505
PERSONNEL: Dennis Wood, Director/Pay Television Sales

Crown International
(213) 657-6700

8701 Wilshire Blvd.
Beverly Hills, CA 90211
PERSONNEL: Lynette Prucha, VP/Home Video/Pay TV Sales

HBO Enterprises
(212) 512-1511

1100 Avenue of the America's
New York, NY 10023
PERSONNEL: Andrea Grass-McBurnett, Director of HBO Enterprises

Lorimar Telepictures
(213) 558-6767

10202 W. Washington Blvd.
Culver City, CA 90232
PERSONNEL: Debbie Betters, Director of Pay-Per-View

MGM/UA Telecommunications
(213) 280-6276

10000 W. Washington Blvd.
Culver City, CA 90232
PERSONNEL: Maggie McDermott, Manager Pay-Per-View

New Century/Vista
(213) 201-0506

1875 Century Park East
Suite 200
Los Angeles, CA 90067
PERSONNEL: Jonathan Kramer Sr. VP Telecommunications

Orion Pictures
(212) 715-1106

711 Fifth Avenue, 6th Floor
New York, NY 10022
PERSONNEL: Cornelia M. Mitchell, VP Pay Television; Charlotte Sonnenblick, Sales Assistant Pay Television

Paramount
(213) 468-4478

5555 Melrose Ave.
Los Angeles, CA 90038
PERSONNEL: Michael Dragotto, Executive Director/Pay TV

Samuel Goldwyn Company
(213) 284-9220

10203 Santa Monica Blvd.
Los Angeles, CA 90067
PERSONNEL: Jolene Victor, Manager TV Ancillary Sales

Skouras Pictures Inc.
(213) 467-3000

1040 N. Las Palmas Ave.
Hollywood, CA 90038
PERSONNEL: Nicola Dantine, Manager of Ancillary Sales

Tri-Star
(213) 201-2430

3300 Riverside Drive
Burbank, CA 90067
PERSONNEL: Mike Lopez, VP Ancillary Markets

Twentieth Century Fox Pay TV
(213) 203-1417

P.O. Box 900
Beverly Hills, CA 90213
PERSONNEL: Kathleen Liddy, Manager/Pay Television Sales

Universal Pay Television
(818) 777-4317

70 Universal City Plaza
Universal City, CA 91605
PERSONNEL: Jerry Hartman, VP/Marketing and Sales

Vestron Television
(203) 978-5518

60 Long Ridge Road
P.O. Box 4000
Stamford, CT 06907
PERSONNEL: Su Corbin, Pay Television Sales

Walt Disney TV (Touchstone Pic.)
(818) 840-6558

500 Buena Vista St.
Burbank, CA 91521
PERSONNEL: Wendy Ferren, Director/Pay Television

Warner Bros. Pay Television
(212) 484-8000

75 Rockefeller Plaza
New York, NY 10019
PERSONNEL: Eric Frankel, VP/Mktg

Regional entertainment

Around Town Network, The
(617)-926-7800

70 Coolidge Hill Road
Watertown, MA 02172
PARENT COMPANY:
Video Resources Inc.
70 Coolidge Hill Road
Watertown, MA 02172
PERSONNEL: Susan Bridge, CEO; Jane Morton, President; Heidi Brown, Sales Director
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Regional indexed consumer programming in infomercial format, serving Metro Boston and surrounding areas with programming on entertainment, recruitment, travel and real estate.
SATELLITE: Microwave relay
SUBSCRIBER INFORMATION:
Affiliates: 3
As of: 01/01/88
Subscribers: 2,000

ADVERTISING:
Local Advertising Available up to 50 mins/hr

Atlanta Interfaith
(404)-892-0454

1580 Peachtree St.
Atlanta, GA 30309
PERSONNEL: John Conant, Chairman; John H. Allen, President; O'Lynn Allen, Public Relations
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Local interfaith programming including talk shows, teaching, magazine format shows, worship services, church league sports, live call-in shows and programming for older adults.
SATELLITE: Microwave
SUBSCRIBER INFORMATION:
Affiliates: 2
As of: 02/01/88
Subscribers: 160,000
Price/sub: free

Cable TV Network of NJ-CTN
(609) 392-4360

128 W State St.
Trenton, NJ 08608
PERSONNEL: William Scott, President; James BeBold, Executive Director; Kathleen Layton, Sales Manager; Joyce Awlesworth, Program Manager
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Daytime programming is community service, including educational, health and human services, cultural, religious and governmental politics. Evening programming is commercial supported basic network programming.
ADVERTISING:
Local Advertising Available

Catholic TV Network Bay Area
(415)-326-7850

324 Middlefield Rd.
Menlo Park, CA 94025
PERSONNEL: John M. Rohrbach, President; Shirley Connolly, Program Director
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: 8am-10pm
PROGRAM FORMAT: Produce and transmit educational programming for classroom use in grades K-12, for teacher and administator "in-service" and to meet adult education needs, especially in the area of spirituality and theology.
SATELLITE: varies
SUBSCRIBER INFORMATION:
Affiliates: 200
As of: 01/31/88

Deep Dish TV Network
(212) 420-9045

339 Lafayette St.
New York, NY 10012
PERSONNEL: Daniel Brooks, Mktg; Martha Wallner and Caryn Rogoff, Affiliate Relations
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: Tuesdays 3 pm-4pm EST
PROGRAM FORMAT: National public access satellite network offered free to cable systems and others for public access and non-commercial channels. Last year's series won the NFLCP's "Hometown U.S.A." award for most creative series. A new series of 16 shows begins April 12. Weekly transmissions begin on April 19 from 3 to 4 pm EST and continues for 16 weeks.
SATELLITE: Satcom 3R Tr. 7
SUBSCRIBER INFORMATION:
Affiliates: 350
As of: 01/27/87

Ecumenical TV Channel
(216)-533-2243

PO Box 430
Canfield, OH 44406
PERSONNEL: Rev. James Korda, President/Director, CTNY; Mitch Stanley, General Manager, CTNY
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Serving Catholic, Jewish, Protestant and Orthodox faiths. Providing ecumenical, religious programming in northeast Ohio.
SATELLITE: Microwave
SUBSCRIBER INFORMATION:
Affiliates: 11
As of: 02/01/88
Subscribers: 191,000

GiantsVision
(415) 468-3700

Candlestick Park
San Fransisco, CA 94124
PARENT COMPANY:
San Francisco Giants
Candlestick Park
San Francisco, CA 94124
PERSONNEL: Corey Busch, Exec VP/Exec Producer; Karen Sisco, Director Operations; Bob Hartzell, Director Affiliate Relations; Eva Buftof, Affiliate Mktg Manager
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: 7 pm, 3 nights/wk
PROGRAM FORMAT:San Francisco Giants home games.
SATELLITE: Westar 5
SUBSCRIBER INFORMATION:
Affiliates: 52
As of: 02/01/88
Subscribers: 1,400,000
Price/sub: varies
ADVERTISING:
Local Advertising Available
4 mins/game

Home Team Sports
(202)-728-5300

1111 18th St. NW
Suite 200
Washington, DC 20036
PARENT COMPANY:
Group W Satellite Communications
250 Harbor Dr.
Stamford, CT 06904-2210
PERSONNEL: Bill Aber, General Manager; Jeff Wagner, Dir Mktg & Sales; Jody Shapiro, Dir Program & Exec. Producer; Joseph King, Dir Operations/Tech Services; James Bates, Dir Affiliate Sales; Jon Cherney, Ad Sales Manager/D.C.; Tijuan Gray, Ad Sales Manager/Balimore; Dave Zahra, Controller
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: varies
PROGRAM FORMAT: Live sporting events, including 90 Orioles baseball games; 33 Capitals hockey games; 33 Bullets basketball games, 15 Blast indoor soccer games; 65 college basketball games and 30 college football games
SATELLITE: Satcom 4 Tr. 22, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 113
As of: 01/01/88
Subscribers: 724,000
Price/sub: varies

ADVERTISING:
Local Advertising Available
2 mins/game

KTVT
(918) 665-6690

WATS(National) . . . (800) 331-4806
3801 S. Sheridan
Tulsa, OK 74145
PARENT COMPANY:
United Video Inc.
3801 S. Sheridan
Tulsa, OK 74145
PERSONNEL: Lawrence Flinn Jr., Chairman; Roy L. Bliss, CEO; David W. Wheaton, CFO; Jeffrey C. Treeman, Sr. VP Mktg/Sales; Anne Wilkerson, Gen Mgr Video Mktg/Sales; Sandy Neuzil, Sales Mgr; John Hawkins, Mgr, Adv & Promo; Diane Wells, Affiliate Programs Supervisor
TYPE OF SERVICE:
Basic Programming
Regional Entertainment
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Texas Rangers baseball, comedy, adventure and movie favorites.
SATELLITE: Satcom F1R, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 415
As of: 12/31/87
Subscribers: 3,537,072
Price/sub: $.15

KVOS
(206)-671-1212

1151 Ellis St.
Bellingham, WA 98225
PARENT COMPANY:
Ackerly Communications
800 5th Avenue Plaza
Suite 3770
Seattle, WA 98104
PERSONNEL: Dave Reid, VP General Manager/Sales; Rollin Wood, Ad Sales; Margot Wilson, Mktg/Affiliate Relations
REGIONAL OFFICES: KVOS, 1764 West 7th Avenue, Vancouver, B.C., Canada V6J 5A3
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: Syndicated programming.
ADVERTISING:
Local Advertising Available

Life Newsvision
(312)-579-4210

2601 S. Harlem
Berwyn, IL 60402
PARENT COMPANY:
Life Printing and Publishing
2601 S. Harlem
Berwyn, IL 60402
PERSONNEL: Larry Randa, Chairman; Jack Kubik, CEO; Wes Felton, CFO; Dick Stern, Ad Sales; Terry Kocka, Mktg/Promotions
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Electronic newspaper.
SUBSCRIBER INFORMATION:
Affiliates: 4
As of: 02/08/88
Subscribers: 60,000
ADVERTISING:
Local Advertising Available
Classified Ads

Madison Square Garden Network
(212)-563-8980

Two Pennsylvania Plaza
New York, NY 10121
PARENT COMPANY:
Gulf and Western
New York, NY
PERSONNEL: Robert M. Gutkowski, President; James J. Cavazzini, Exec VP; Pete Silverman, VP/Exec Producer; Lee Berke, VP Mktg; Marty Brooks, VP Programming; Paul Schneider, Director Public Relations; Ed Spencer, Director Affiliate Sales; Marianne Weiss, Director Affiliate Relations
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: 7 pm-1 am Extnd Wkend
PROGRAM FORMAT: Knicks basketball, Rangers hockey, college bastketball, St. John's University Sports, Coca-Cola High School Sportsweek, and MSG's "Felt Forum," professional boxing. Special events include The Virginia Slims Championships, The National Horse Show, The Westminster Kennel Club Dog Show and The Panasonic Millrose Games (track and field).
SUBSCRIBER INFORMATION:
Affiliates: 100
As of: 02/01/88
Subscribers: 2,125,000
ADVERTISING:
Local Advertising Available
Mins vary

New England Sports Network
(617) 536-9233

70 Brookline Ave.
Fenway Park
Boston, MA 02215
PARENT COMPANY:
Joint venture of Boston Red Sox, Boston Bruins and New Boston TV
PERSONNEL: John Claiborne, VP/Gen Mgr; Robert Whitelaw, Dir Operations; Donald Reilly, Dir Business Affairs; Jerry McAuliffe, Director Ad Sales; Frank Noto, Account Exec; John Slattery, Dir Adv/Promo; Sean McGrail, Dir Mktg; Roni Stimell, Mgr Affiliate Mktg & Sales; Christopher Swan, Affiliate Mktg Representative
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: More than 90 Boston Red Sox games, 40 Boston Bruins games, all home Stanley Cup playoffs, exclusive Big East basketball, Yankee Conference football, Hockey East and the Beanpot college hockey tournament, New England college basketball, football, baseball, soccer and lacrosse, WWF Wrestling, regional fishing, scuba diving, auto racing, bowling, boxing, indoor lacrosse
SATELLITE: Satcom 4 Tr. 13
SUBSCRIBER INFORMATION:
Affiliates: 157
As of: 12/31/87
Subscribers: 215,000
Price/sub: $3.20-$5.00
ADVERTISING:
Local Advertising Available
3 mins/game

News 12 Long Island
(516) 496-1766

One Media Crossways
Woodbury, NY 11797
PARENT COMPANY:
Cablevision Systems Corp.
One Media Crossways
Woodbury, NY 11797
PERSONNEL: Alvin Ittleson, President; John D. Hillis, General Manager; Norm Fein and Glenn Fishkin, Sr Exec Producers; Rick Young, Promotion Dir
REGIONAL OFFICES: RASCO, 260 Madison Ave., 14th Floor, New York NY 10016 (212) 889-3380 (Bob Fennimore)
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: 24 hours

PROGRAM FORMAT: Regional news channel.
SATELLITE: Microwave
SUBSCRIBER INFORMATION:
Affiliates: 4
As of: 02/01/88
Subscribers: 530,000
ADVERTISING:
Local Advertising Available
12 mins/hr

PRISM
(215) 668-2210

225 City Line Ave.
Bala Cynwyd, PA 19004
PARENT COMPANY:
Sports Channel Associates
One Media Crossways
Woodbury, NY 11797
PERSONNEL: Mark Lustgarten, Chairman; Charles Dolan, CEO; Donald Heller, VP & General Manager; Sam Schroeder, VP/Asst General Mgr; Thomas Ferraro, Dir of Mktg
REGIONAL OFFICES: 780 Third Ave. New York, NY 10017, Ed Peters; 435 N. Michigan Ave. Chicago, IL 60611, Dana Michaellis/VP; 25689 Kelly Rd. Suite D Roseville, MI 40866, Norm Zeller; 1925 Century Park East, Suite 830, Los Angeles, CA 90067, Mary Hogan
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: 24 Hours
PROGRAM FORMAT: Movies, 80% box office hits, classics of the past, entertainment specials plus live exclusive coverage of the Philadelphia Phillies, Flyers and 76ers' home games
SATELLITE: Microwave
SUBSCRIBER INFORMATION:
Affiliates: 88
As of: 01/01/88
Subscribers: 420,000
Price/sub: $5.75

Prime Ticket Network
(213) 672-8000

401 S. Prairie Ave.
Suite 104
Inglewood, CA 90301
PERSONNEL: Tony Acone, President; John Jackson, Programming; Tim Krass, Mktg Manager; Keith Harris and Brent Imai, Executive Producers; Tom Feuer, Dir of Communications; Mat Tinley, New Business Development; David Forier, Forum Entertainment Network
TYPE OF SERVICE:
Basic Programming
Regional Entertainment
PROGRAM HOURS: 5pm-12am PST
PROGRAM FORMAT: Programming includes Los Angeles Lakers basketball, Los Angeles Kings hockey, boxing, tennis, Los Angeles Lazers and San Diego Sockers, MISL Soccer, and college athletics from UCLA, USC, Nevada—Las Vegas. Also pay-per-view events.
SATELLITE: Satcom 4 Tr. 20
SUBSCRIBER INFORMATION:
Affiliates: 40
As of: 02/01/88
Subscribers: 2,300,000
Price/sub: varies
ADVERTISING:
Local Advertising Available
1 min/30 mins

Pro-Am Sports
(313)-583-7600

500 Stephenson
Suite 204
Troy, MI 48083
PERSONNEL: John McDevitt, Chairman; William Wischman, CEO; Kathleen Hunt, CFO; William Glenn, Dir of Programming; Jillania Harbaugh, Dir of Mktg; William Moren, Dir of Affiliate Relations
REGIONAL OFFICES: Advertising sales handled by Cable Media, 33481 W 14 Mile Road, Suite 90, Farmington Hills, MI 48331, (313) 661-5530.
TYPE OF SERVICE:
Regional Entertainment
Pay Programming
PROGRAM HOURS: 7 pm-midnight
PROGRAM FORMAT: Professional sports, including Detroit Tigers, Detroit Pistons and Detroit Red Wings. Also covers Central Collegiate Hockey Association. Local coverage includes the University of Michigan, Michigan State and the Midwest Athletic Conference.
SATELLITE: Westar 5 Tr. 8
SUBSCRIBER INFORMATION:
Affiliates: 140
As of: 12/31/87
Subscribers: 360,000
Price/sub: $5.00 average

UTV
(415) 777-2555

One South Park Ave.
Suite 200
San Francisco, CA 94107
PARENT COMPANY:
On Demand Inc.
One South Park
Suite 200
San Francisco, CA 94107
PERSONNEL: Paul Solomon, President/CEO; Judy Silva, General Manager
TYPE OF SERVICE:
Regional Entertainment
PROGRAM FORMAT: Video clips as requested by viewers including music videos, travel, sports, news and other items of interest selected by viewers from the menu displayed on the screen and billed via premium tarriffed phone calls.
SATELLITE: Headend
SUBSCRIBER INFORMATION:
As of: 02/01/88
Subscribers: 570,000

Z Channel
(213)-453-1985

2939 Nebraska Ave.
Santa Monica, CA 90404
PARENT COMPANY:
Z Channel
2939 Nebraska Ave.
Santa Monica, CA 90404
PERSONNEL: Joe Cohen, CEO; Terry Saley, COO; Susan E. Packard, VP Affiliate Relations
TYPE OF SERVICE:
Regional Entertainment
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: Offering current motion pictures, film festivals, foreign cinema and live local sports.
SATELLITE: Microwave
SUBSCRIBER INFORMATION:
Affiliates: 24
As of: 02/08/88
Subscribers: 85,000

Regional sports

Sports Channel New England
(516)-364-2222

Ten Towers Office Park
Suite 600
Woburn, MA 01801
PARENT COMPANY:
Sports Channel Association
One Media Crossways
Woodbury, NY 11797
PERSONNEL: Mark Lustgarten, Chairman; Charles Dolan, CEO; Mitchell Freund, General Manager; Bob Fennimore and Phil Cabia, Ad Sales
REGIONAL OFFICES: 260 Madison Ave., New York, NY 10016. Rainbow Advertising Sales.

TYPE OF SERVICE:
Regional Sports
PROGRAM HOURS: 6pm-1am weekly
PROGRAM FORMAT: Covers regional professional and college teams. Exclusive coverage of Hartford Whalers and Boston Celtics.
SUBSCRIBER INFORMATION:
Subscribers: 750,000
ADVERTISING:
Local Advertising Available
6 mins/game

Sports Channel New York
(516)-364-2222

150 Crossways Park West
Woodbury, NY 11797
PARENT COMPANY:
Sports Channel Associates
One Media Crossways
Woodbury, NY 11797
PERSONNEL: Mark Lustgarten, Chairman; Charles Dolan, CEO; Tom Chestnut, General Manager; Bob Fennimore and Phil Cabia, Ad Sales; Rich Kahn, Director of Marketing; Jeff Genthner, Dir Affiliate Relations & Mktg
REGIONAL OFFICES: 260 Madison Ave., New York, NY 10016. Rainbow Advertising Sales.
TYPE OF SERVICE:
Regional Sports
PROGRAM HOURS: 6pm-1am weekly/wk
PROGRAM FORMAT: Professional and college teams, exclusive coverage of the New York Mets, New York Yankees, New York Islanders, New Jersey Devils and New Jersey Nets.
SUBSCRIBER INFORMATION:
Subscribers: 1,040,000
ADVERTISING:
Local Advertising Available
6 mins/game

Home Sports Entertainment
(213) 661-0028

5251 Gulfton St.
Houston, TX 77081
PARENT COMPANY:
Houston Sports Association
The Astrodome
Houston, TX
PERSONNEL: Ed Frazier, President; Dick Barron, Exec VP; Jack Stanfield, VP Programming; Jay Finegold, VP Mktg; John McIntyre, Dir Operations; Cindy Harrington, Manager Affiliate Services; Mike Donaldson, Dir Ad Sales; Joe Gagliardi, Dir Affiliate Sales; Sherry Adams, Advertising Sr Account Exec.; Glenn Gurgiolo, General Manager DBS
REGIONAL OFFICES: 2080 SH 360, Suite 260, Grand Prairie, TX 75050 (214) 988-9292.
TYPE OF SERVICE:
Regional Sports
PROGRAM HOURS: 4 pm to 1 am
PROGRAM FORMAT: Regional sports service that provides programming to both pay and basic subscribers in Texas, New Mexico, Oklahoma, Arkansas and Louisiana. Programming includes the Houston Rockets, Dallas Mavericks, San Antonio Spurs, Houston Astros, Texas Rangers, and SW Conference football, basketball, baseball and selected championships.
SATELLITE: Satcom 4 Tr. 11; Satcom IR Tr. 10, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 183
As of: 02/01/88
Subscribers: 650,000
Price/sub: varies

Niagara Frontier Sports Network
(716) 856-7300

Memorial Auditorium
140 Main St.
Buffalo, NY 14202
PARENT COMPANY:
Niagara Frontier Hockey Corp.
Memorial Auditorium
Buffalo, NY 14202
PERSONNEL: Paul Wieland, Exec Producer; John Gurtler, Dir Cable Relations
TYPE OF SERVICE:
Regional Sports
PROGRAM HOURS: 30 live games
PROGRAM FORMAT: Live coverage of 35-50 NHL Hockey games of the Buffalo Sabres, October through May. Occasional other events, such as college basketball, high school, hockey
SATELLITE: Westar V Tr. 8 and Microwave
SUBSCRIBER INFORMATION:
Affiliates: 9
As of: 01/01/88
Subscribers: 441,000
Price/sub: varies
ADVERTISING:
Local Advertising Available

SportsVision
(312)-524-9445

820 W. Madison
Oak Park, IL 60302
PARENT COMPANY:
Sports Channel Associates
One Media Crossways
Woodbury, NY 11797
PERSONNEL: Mark Lustgarten, Chairman; Charles Dolan, CEO; Jim Carno, General Manager; Bob Saalfield and Julie L. Johnson, Mgr. Sales & Mktg; Kelly Sullivan, Dir Public Relations;
REGIONAL OFFICES: 260 Madison Ave., New York, NY 10016. Rainbow Advertising Sales.
TYPE OF SERVICE:
Regional Sports
PROGRAM HOURS: 6.5 hrs wkdy/16 hr wknd
PROGRAM FORMAT: Chicago professional sports teams, the White Sox, the Bulls, the Blackhawks, and Sting; regional collegiate events, Notre Dame, DePaul and Big Ten football.
SATELLITE: Satcom 4 Tr. 9, VideoCipher encrypted
SUBSCRIBER INFORMATION:
Affiliates: 60
As of: 12/31/87
Subscribers: 1,200,000
Price/sub: varies
ADVERTISING:
Local Advertising Available
5 mins/hr

Sportschannel Florida
(305) 994-0250

Executive Court One Suite 140
2295 Corporate Blvd.
Boca Raton, FL 33431
PARENT COMPANY:
Sports Channel Associates
One Media Crossways
Woodbury, NY 11797
PERSONNEL: Mark Lustgarten, Chairman; Charles Dolan, CEO; Ron Ryan, General Manager; Rod Mickler, Dir Mktg & Sales; Rod Mickler, Dir Mktg & Sales
REGIONAL OFFICES: 260 Madison Ave., New York, NY 10016. Rainbow Advertising Sales
TYPE OF SERVICE:
Regional Sports
PROGRAM HOURS: 6 hrs wkdys/9 hrs wknd
PROGRAM FORMAT: Regional sports network for Florida collegiate & professional sports. 180 live collegiate events. Exclusive coverage of Univ. of Miami, Univ. of Fla., Jacksonville Univ., Univ. of S. Fla. as well as the NBA expansion Miami Heat beginning in 1988/1989.
SATELLITE: Galaxy III Tr. 12
SUBSCRIBER INFORMATION:
Affiliates: 3
As of: 12/29/87
Subscribers: 50,000
ADVERTISING:
Local Advertising Available
6 mins/hr

Announced services

AP/Sports Plus
(202) 955-7200

1825 K Street NW
Suite 615
Washington, DC 20006
PARENT COMPANY:
The Associated Press/Tribune
1825 K Street NW
Suite 615
Washington, DC 20006
PERSONNEL: Greg Groce, Dir of Cable Services; John A. Strachan, NCE
REGIONAL OFFICES: Annabella Riccio, National Cable Exec, Suite 500, South Tower, One CNN Center, Atlanta, GA (404) 522-8971; Susan Burgstiner, National Cable Exec, 1444 Wazee Street, #130, Denver, CO 80202-1395 (303) 825-0123; National Cable Exec, 215 West Pershing Street, Kansas City, MO 64108-1850 (816) 421-6725
PROGRAM HOURS: 24 hours
PROGRAM FORMAT:Graphics-enhanced sports information service, including latest sports scores in a continuous crawl, as well as statistics, standings and general sports news.
Scheduled to launch 3/15/88
SATELLITE: Westar IV Tr. 6
SUBSCRIBER INFORMATION:
Price/sub: varies
ADVERTISING:
Local Advertising Available
2 mins/hr

Advertising Television
(201) 837-3500

420 Pompton Ave.
Cedar Grove, NJ 07009
PARENT COMPANY:
Web Broadcasting Systems Inc.
420 Pompton Ave.
Cedar Grove, NJ 07009
PERSONNEL: Paul J. Salerno, President/CEO; Thomas M. Collins, Exec VP Mktg
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: All-advertising network with themed hours, such as auto, fashion, travel, computer, beauty. The hours will consist of 5- and 10-minute infomercials produced by national advertisers.
SATELLITE: Satcom IIIR
SUBSCRIBER INFORMATION:
Subscribers: 3,500,000
Price/sub: pays $.10

CD-8 The Digital Music Network
(212) 983-3300

342 Madison Ave.
Suite 505
New York, NY 10173
PARENT COMPANY:
International Cablecasting Tech
342 Madison Ave.
Suite 505
New York, NY 10173
PERSONNEL: Jerold H. Rubinstein, Chairman; Tom Oliver, President; Tom Shemo, VP Mktg; Molly Seagrave, VP Communications
REGIONAL OFFICES: 9478 West Olympic Blvd, #301, Beverly Hills, CA 90212
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: Eight separate channels of compact disc music featuring formats from classical to rock, delivered via a single cable channel to the home stereo system. Programming is commercial-free, disc-jockey-free and distortion-free.
SATELLITE: C-Band TBD

Career Channel Network
(415) 326-8000

P.O. Box 9600
Palo Alto, CA 94305
PARENT COMPANY:
The Keegan Group
P.O. Box 536
Menlo Park, CA 94026
PERSONNEL: Dr. R. Peter Keegan, Chairman; Judy Davis, CEO/Career Center Network; J.M. Keegan, CEO/Media Centers; Roland Hieb, CFO; J. Walter Keegan, Sr VP; Debra Giusti, Sr VP/Corporate Affairs; Beverly Rubic, VP/Program Development; R. West, VP; Y.M. Keegan, Assistant VP
REGIONAL OFFICES: U.S.A. and Canada.
PROGRAM FORMAT:National and regional career information service. In cooperation with Career Network, it assists individuals, corporations and government agencies to seek and secure career guidance. Working with trade associations and institutions in the public and professional sectors. The Career Channel will supply an essential need for the improvement of the quality of career life.
SATELLITE: Airing in October 1988

ADVERTISING:
Local Advertising Available
16 mins/hr

Computer Channel, The
(213)-663-8239

1655 Silverwood Terrace
Los Angeles, CA 90026
PARENT COMPANY:
Computer Channel Corp.
1655 Silverwood Terrace
Los Angeles, CA 90026
PERSONNEL: Alan Backus, Chairman/CEO/President; Jan Gildersleeve, Ad Sales/Mktg
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: Digital entertainment and information services to computers via cable television.
SATELLITE: VideoCipher encrypted
ADVERTISING:
Local Advertising Available

Landscape Channel, The
(415) 326-8000

P.O. Box 536
Menlo Park, CA 94026
PARENT COMPANY:
The Landscape Channel Ltd.
P.O. Box 536
Menlo Park, CA 94026
PERSONNEL: Dr. R. Peter Keegan, CEO; Jeffrey M. Keegan, COO; Nick Austin, Co-Chairman - Europe; Roland Hieb, Executive Sr VP; R.M. West, Mgr Corp. Communications; Sheri Wilson, VP; Debera Giusti, Sr VP; V.M. Keegan, Assistant VP; Beverly Rubic, Dir Affiliate Relations
REGIONAL OFFICES: Mike Appleton, Landscape Channel, London, UK, The Landscape Channel (Far East) Ltd., Mr. Caruso, 2-19-8 New Meguro Flower Mansion, 1304 Shimomeguro, Meguro-Ku. Tokyo 153, Japan 01081 3495 0007
Telex: 02466552
PROGRAM FORMAT: A world-wide home shopping, all instrument, stereo music channel showing breathtaking, beautiful visual images of the world's wonders, without the intrusion of audio commercials. Backed by one of the world's largest group of music companies, withall digital, CD quality output and high definition video
SUBSCRIBER INFORMATION:
Price/sub: $.09
RATING SOURCE: Nielsen

Laugh TV
(918) 747-6000

P.O. Box 52331
Tulsa, OK 74152
PERSONNEL: Alan Spooner, President
REGIONAL OFFICES: Soon to have offices in Dallas, New York and Chicago.
PROGRAM HOURS: 24 hours
PROGRAM FORMAT: Launching in Spring 1988, a fast paced program dedicated to hilarity featuring short laugh videos, stand-up comedians, sketches and comedy specials.

Sunshine Network
(713) 661-0078

5251 Gulfton St.
Houston, TX 77081
PERSONNEL: Jim Williams, Senior Producer
PROGRAM HOURS: Prime Time
PROGRAM FORMAT: Launching March 4. Basic service for regional sports in Florida only. Programming features 100 major league baseball games of the Minnesota Twins, Baltimore Orioles, Detroit Tigers, Texas Rangers, and Houston Astros. Approximately 150 events will be produced in Florida, featuring: Florida State, Stetson, Jacksonville, and Florida A&M. A lead in to our programming will feature one hour a day of Florida public affairs.
SATELLITE: Satcom IR
SUBSCRIBER INFORMATION:
  Affiliates: 60
  As of: 03/01/88
  Subscribers: 1,500,000
ADVERTISING:
  Local Advertising Available
  2 mins/hr

TeleAmerica
(213) 473-3556

11811 West Olympic Blvd.
Los Angeles, CA 90064
PARENT COMPANY:
  SouthCo. Communications
  Waterloo, IA
PERSONNEL: Conrad Ricketts, President; Kenneth Joyce, VP
PROGRAM HOURS: 16 hours
PROGRAM FORMAT: Family programming.

SATELLITE: Telstar 301, VideoCipher encrypted
ADVERTISING:
  Local Advertising Available
  4 mins/hr

Teleworld Network Television
(213) 653-8637

8455 Beverly Blvd.
Suite 406
Los Angeles, CA 90048
PERSONNEL: William Cameron, Chairman; Norman Solomon, CEO Creator; Mary Fichter, Ad Sales
REGIONAL OFFICES: Paris, France, Francois Taborelli, VP, Telephone: 33-1-45-22-3325; Munich, Germany; London, England
PROGRAM HOURS: 2 hrs/day
PROGRAM FORMAT: Launch date of May 1, 1988. Everything seen is supplied by corporations or individuals, there is no commercial advertising. The network utilizes a magazine format which organizes communication into such categories as world class international real estate, over-the-air auctions, personal auditions and global travel. Teleworld offers "target intensive" access to a public specifically interested in the communicator's message.
SATELLITE: Galaxy I Tr. 2

Vision Interfaith Satellite Network
(615) 742-5400

810 Twelfth Ave. South
Nashville, TN 37203
PARENT COMPANY:
  Natl Interfaith Cable Coalition
  74 Trinity Place
  New York, NY 10006
PERSONNEL: Dr. Dan Matthews, Chairman; David Ochoa, CEO
REGIONAL OFFICES: William Airy, 8500 Menaul NE, Albuquerque, NM 87712 (505) 293-9225
TYPE OF SERVICE:
  Basic Programming
PROGRAM HOURS: 8 hours
PROGRAM FORMAT: Airing June 1, 1988, 8 hours of mainline interfaith, values-based and inspirational programming. Ad-supported, no fund-raising, free of charge to the cable operator.

Wingtips
(215) 563-7506

WATS(National) . . . (800) 288-5757
2000 Market Street #2902
Philadelphia, PA 19103
PERSONNEL: R. J. Timlin, President/TSI Visuals
PROGRAM HOURS: 2 hrs/day
PROGRAM FORMAT: Franchise of video travel. You can plan and book from television by calling an 800 number.
SATELLITE: Galaxy 1 Tr. 2
ADVERTISING:
  Local Advertising Available

YOU TV
(412) 261-1411

900 Porter Building
Pittsburgh, PA 15219
PARENT COMPANY:
  Health TV Corp.
  900 Porter Building
  Pittsburgh, PA 15219
PERSONNEL: Jerome N. Lehman, Chairman/CEO/President; Kathryn J. Gavert, CFO; Louise A. Goodwin, Dir Sales & Mktg; C. Dean Thomas, VP Affiliate Relations
REGIONAL OFFICES: HTC Production Group Inc., 1300 Porter Building, Pittsburgh, PA 15219, (412) 261-1411, James Rogal; HTC News & Documentary, 6605 Elenore Avenue, Hollywood, CA 90038, (213) 466-1318, Dana Millikin; HTC Post, 629 North La Brea Ave., Los Angeles, CA 90036, (213) 936-7181, Melissa Davies; YOU-TV, 6605 Elenore Ave., Hollywood, CA 90038, (213) 931-1666, Joe Castro; YOU-TV, 9330 LBJ Freeway, Suite 635, Dallas, TX 75243, (214) 437-3196, Dean Thomas
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: General health, physical fitness and well-being programs.
SATELLITE: Satcom IIIR Tr. 19
SUBSCRIBER INFORMATION:
  Subscribers: 4,000,000
ADVERTISING:
  Local Advertising Available

Non-satellite fed services

Cable Video Entertainment
(212) 206-1219

111 8th Ave. Suite 1502
New York, NY 10011
PARENT COMPANY:
Winmar Enterprises
111 8th Ave. Suite 1500
New York, NY 10011
PERSONNEL: Irwin Cohen, Chairman; Maria Sapichino, CEO; Dick Sullivan, President; John Herbst, CFO; Cathleen Sullivan, Director; Mark Rubin, Affiliate Relations; Sandy Messinger, Affiliate Relations
TYPE OF SERVICE:
Non-Satellite Fed National
PROGRAM FORMAT: "Curtain Going Up" is a 1/2 hour hosted monthly show, likened to Entertainment Tonight, but for cable. "Curtain" highlights a cable system's pay, basic, and pay-per-view programming in an entertaining, concise format.
SATELLITE: video cassette
SUBSCRIBER INFORMATION:
Affiliates: 200
As of: 01/01/88
Subscribers: 14,500,000
ADVERTISING:
Local Advertising Available
4 mins/30 mins

Fujisankei Comm. International
(213) 553-5828

2049 Century Park East
Suite 820
Los Angeles, CA 90067
PARENT COMPANY:
Fujisankei Comm. Group
3-1.kawada-cho
Shinjuku-ku
Tokyo, Japan, Tokyo 162
PERSONNEL: Mitsunori Sasa, President
TYPE OF SERVICE:
Non-Satellite Fed National
PROGRAM HOURS: 6:45pm to 8:30pm PST
PROGRAM FORMAT:Japanese language programming, featuring drama, variety shows, music shows, quiz shows and cartoons.
ADVERTISING:
Local Advertising Available
2 mins/hr

Modern Video Programs
(813) 541-7571

WATS(National). . . . .(800) 237-8913
5000 Park St. N
St. Petersburg, FL 33709
PARENT COMPANY:
Modern Talking Picture Service
5000 Park St. N
St. Petersburg, FL 33709
PERSONNEL: Patrick Swonger, Division Manager, Television; Nina Thorbecke, Cable Representative
REGIONAL OFFICES: 515 Madison Ave. Tower Suite 37th Floor, New York, NY 10022 (212) 832-4622 (Robert Finehout), 1900 L Street NW, Suite 610, Washington DC 20036 (202) 293-1222 (Robert A. Kelley), 1 Prudential Plaza, Suite 2020, 130 East Randolph Drive, Chicago IL 60601 (312) 337-3252 (Edwid L. Swanson), 149 New Montgomery St., San Francisco, CA 94105 (415) 777-3995 (Steve Mahan), 115 Torbay Rd., Unit 9, Markham, Onterio, Canada, L3R 2M9 (416) 475-3750 (Lynn Meek)
TYPE OF SERVICE:
Non-Satellite Fed National
PROGRAM HOURS: 100 plus/wk
PROGRAM FORMAT: Hourly programs 2-3 episodes per hour.
SATELLITE: Satcom IIIR Tr. 2
SUBSCRIBER INFORMATION:
Affiliates: 1,100
As of: 02/01/88
Subscribers: 14,500,000

Nippon Golden Network
(808)-538-1966

567 S. King St.
Suite 110
Honolulu, HI 96813
PERSONNEL: Dr. Dennis M. Ogawa, President
TYPE OF SERVICE:
Non-Satellite Fed National
PROGRAM HOURS: 35 hrs/wk-6pm-11pm
PROGRAM FORMAT: Japanese language pay service.
SUBSCRIBER INFORMATION:
Affiliates: 6
As of: 02/03/88
Subscribers: 12,894
Price/sub: $12.95
ADVERTISING:
Local Advertising Available
2 mins/hr

TELACTION.®
Shopping at the speed of life®

Telaction Corp.
(312) 519-4242

1750 E. Golf Rd.
Century Centre
Schaumburg, IL 60173-5002
PARENT COMPANY:
J.C. Penney Co. Inc.
14841 North Dallas Parkway
Dallas, TX 55240-6760
PERSONNEL: Stuart MacIntire, CEO/President; Ed Merlis, President/Affiliate Division; Ben Allen, CFO; Kathleen Kanehann, Director Advertising & Public Relations
TYPE OF SERVICE:
Non-Satellite Fed National
Shopping Network
PROGRAM FORMAT: Telaction is the first consumer-controlled cable television-delivered home shopping and information service.

Vector Consumer Shopping Guide
(213) 829-6741

1550 17th St.
Santa Monica, CA 90404
PERSONNEL: Russell Smith, Chairman/CEO/President; William Berger, CFO; Gloria Senior, Mktg
TYPE OF SERVICE:
Non-Satellite Fed National
PROGRAM HOURS: 24 hrs
PROGRAM FORMAT: Alpha numeric consumer shopping with 100 food and non-food items.
SUBSCRIBER INFORMATION:
Affiliates: 9
As of: 02/08/88
Subscribers: 300,000
ADVERTISING:
Local Advertising Available

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Computer Channel, The S58
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ETC-Ecumenical TV Channel S54
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FNN-Financial News Network S18
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CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	351	6,300,000
Alternate View Network	243	3,000,000
America's Value Network	212	6,000,000
Arts & Entertainment (A&E)	2,500	30,000,000
Black Entertainment Television (BET)	1,000	18,000,000
Cable News Network (CNN)	11,738	42,528,000
Cable Value Network	1500	18,400,000
CBN Cable Network	7,817	37,212,000
C-SPAN	2,750	33,000,000
C-SPAN II	475	12,500,000
Country Music Television	568	6,800,000
The Discovery Channel	2,700	27,494,000
ESPN	18,936	46,100,000
Eternal Word Television Network (EWTN)	387	7,100,000
The Fashion Channel	600	8,700,000
Financial News Network (FNN)	1,770	27,300,000
FNN Score	1,150	19,800,000
FNN/TelShop	850	11,000,000
GalaVision	300	1,000,000
Gospel Music Network	31	744,447
Headline News	3,608	28,352,000
Hit Video USA	170	2,164,000
Home Shopping Network	1,108	15,200,000
Home Shopping Network 2	260	5,800,000
The Inspirational Network	1,050	10,500,000
International Television Network	56	7,868,900
The Learning Channel	930	11,000,000
Liberty Broadcasting Network	39	1,049,218
Lifetime	3,500	35,440,000
Mind Extension University	63	1,300,000
The Motivation Network	13	200,000
Movietime	60	4,000,000
Music Television (MTV)	4,590	39,400,000
The Nashville Network	6,330	37,000,000
National Jewish Television (NJTV)	295	6,800,000
National Shopping Club	65	1,500,000
NewJaz-TV	200	300,000
Nick At Night	3,175	32,500,000
Nickelodeon	5,670	37,900,000
The Nostalgia Channel	185	2,500,000
QVC Network	810	11,200,000
Shop Television Network	60	3,000,000
Silent Network	380	10,000,000
Tempo Television	700	14,500,000
The Travel Channel	220	7,000,000
Trinity Broadcasting Network	523	7,037,000
USA Network	9,200	41,000,000
Video Hits One (VH-1)	1,715	24,700,000
Video Shopping Mall	600	14,000,000
The Weather Channel	3,100	31,600,000
WGN-TV	10,809	23,888,216
WOR-TV	2,293	9,657,482
WPIX-TV	617	8,875,212
WTBS-TV	12,640	42,528,000

Pay services

American Exxxtasy	35	25,000
American Movie Classics	1,300	9,000,000
Bravo	350	1,000,000
Cinemax	3,650	5,100,000
The Disney Channel	4,300	3,810,000
Festival	N/A	N/A
Home Box Office (HBO)	6,700	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	600	520,000
Showtime	3,200	5,700,000

Audio services

Cable Radio Network	40	1,310,000
KKGO Super Jazz	16	131,832
Moody Bible Institute	62	935,528
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,576,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	107	1,250,000
WFMT Chicago	177	1,233,355

Text services

Text services	Affiliates	Subscribers
AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	40	875,328
DBC MarketWatch	433	8,400,000
Electronic Program Guide (EPG)	321	6,494,395
EPG Jr	161	152,178
EPG Prevue	N/A	N/A
Genesis Cable Storytime	37	1,505,000
Reuters News View	127	2,437,000
TV Decisions	177	6,818,487
UPI Data Cable	450	4,000,000
X*Press	346	1,200
X*Press Exchange	346	6,400

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Video Entertainment	195	15,000,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,000
Telaction	N/A	N/A
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	160,000
Bay Area Religious Channel (BARC)	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	35	1,364,836
The Ecumenical Channel	9	170,000
KTVT	415	3,502,352
Life Newsvision	35	50,000
Madison Square Garden	100	2,125,000
Meadows Racing Network	15	600,000
News 12 Long Island	7	500,000
Prime Cable	8	344,350
Prime Ticket	37	2,250,000
SportsVision (Chicago)	47	1,025,200

Pay services

Home Sports Entertainment Houston/Dallas	140	450,000
Home Team Sports	114	719,000
New England Sports Network	157	213,171
PRISM-Philadelphia	88	415,420
Pro-Am Sports	140	301,000
SportsChannel (Florida)	2	45,000
SportsChannel (New England)	147	800,000
SportsChannel (New York)	92	1,000,000
Z Channel	17	80,000

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1109, New York, NY 10016.

N/A denotes information not available

TBA denotes to be announced

New services in 1987

Basic services	Launch date
America's Value Network	3/87
The Fashion Channel	10/87
Home Premiere Television	12/87
Mind Extension University	11/87
Movietime	7/87
National Shopping Club	3/87
NewJaz-TV	9/87
Shop Television Network	10/87
The Travel Channel	2/87

Pay Services	
Festival	5/87
Tuxxedo Network	12/87

C4722-2-
3/22/88

MARCH 14, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

NATPE, REALLY!

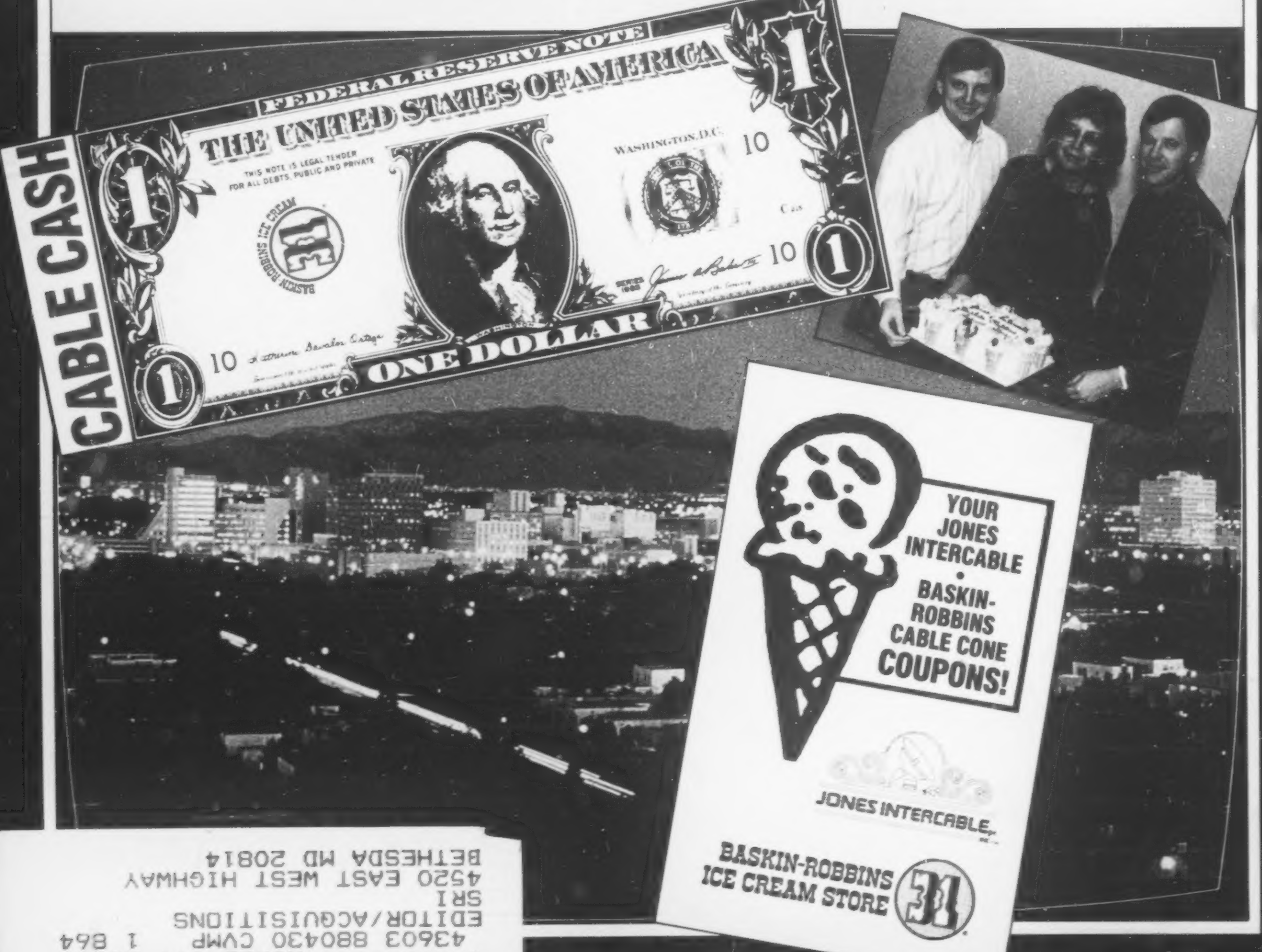
TNT: IT LOOKS LIKE A GO

HUDDLING WITH BILL GRIMES

SEEKING SIGNAL QUALITY

ANALYSTS SEE THE PICTURE

THE STATE OF MARKETING TODAY: ALBUQUERQUE LICKS THE PROBLEM


CABLE CASH
FEDERAL RESERVE NOTE
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THIS NOTE IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE
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WASHINGTON, D.C.
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ONE DOLLAR
YOUR JONES INTERCABLE • BASKIN-ROBBINS CABLE CONE COUPONS!
JONES INTERCABLE
BASKIN-ROBBINS ICE CREAM STORE
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CableVision

FRONT LINE

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Ted Turner meets with major MSO heads in New York and receives support for his proposed Turner Network Television. A tentative launch date of Oct. 3 is set, with initial programming relying heavily on the MGM library.

Storer deal dies 18
It had been described as 'staggering along' for some time, and now the principles confirm that the deal for the sale of the Storer properties by KKR to a consortium of cable operators is off.

More turnover at Daniels 19
The timing of the departure 'couldn't be worse' but officials at Daniels & Associates are wishing Jay Bush well as he relinquishes duties as co-manager of the firm's newly reorganized investment banking and brokerage division to head up Triax Communications.

Must-carry rumblings 20
The FCC has launched a fact-finding inquiry to tally up the broadcast stations that are dropped or repositioned in the wake of court rejection of revamped must-carry rules. And other signs are cropping up that must-carry may yet again rise from the grave.

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As the last play-by-play call on ESPN's first year with the NFL fades amid cheers, it seems appropriate to sit down with Bill Grimes for a post-mortem. The sports network's quarterback gives some insight into how the rookie season went, and what's ahead for next year.

NATPE, really! 25
- The hoopla was still there at the 25th annual confab of television programmers, syndicators and station chiefs, but the usual buying frenzy was noticeably off this year. *Double Dare* was a rare hit.
- More cable network buyers and sellers than ever were strolling the aisles in Houston, mostly looking but soaking up rising respect from the syndicator crowds. 26

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After the MSO chieftans complete acquisitions, it usually falls to the engineers to make disparate, sometimes outmoded systems all work together, and deliver quality pictures. Making that happen often requires innovative thinking, aided by some off-the-shelf but refined gear.

MARKETING

A wonderful free-for-all 42
Back in the blissful, mindless "truck-chaser" days, no one marketed but everyone sold. Now the game is tougher, but cable's marketers have risen to the occasion. It's something of a pell-mell rush, admittedly, but all the activity certainly is generating some heat.

BUSINESS AND FINANCE

Meeting the analysts 59
Many of the MSO heads who met with the roomful of Wall Street analysts had a slightly different story to tell. Sure, the business continues to rock along with ever-stronger results. But the variation on this year's theme is that investments in programming and in other operating companies can pay off handsomely.

COVER STORY

Marketing enchantment 52
Among our package of stories on the state of modern cable marketing is an uplifting tale from Albuquerque, the land of enchantment. The Jones system was handed a tall order for growth, and managers there came through with an 846 percent increase in net growth, a 10 point gain in pay-to-basic penetration, all done during the rollout of a 39 percent rate increase.

BETWEEN THE LINES

Marketing advances shine but are customers happy?

Even a cursory reading of the package of stories in this issue about the modern state of cable marketing (pp. 37-55) reveals that the industry has made great strides from the fondly-recalled "truck chaser" days in which one merely had to drive down a street in a service van to sign up half the neighborhood.

It now is obvious that cable marketing—once an oxymoronic concept like "army intelligence"—has compressed a lifetime of growth into a few short years. Hastening that maturity was the industry's realization a couple of years ago that cable is a service business not all that unlike many other service industries, that what it has to sell isn't technology—the wire—but what comes over the wire—the programming. One suspects that somewhere out there are a lot of cable marketers who cut their teeth in the railroad industry, which has fallen on hard times because it failed to realize it was in the *transportation* business.

Yes, there no longer is any doubt that today's cable marketers can sell, at both the national level and within local communities. Nationally, HBO has developed direct mail to an exacting science that produces impressive results (p. 48). In almost a poetic understatement, HBO's John Billock tells us that "any time you can do a million installs, that's pretty good." At the local level, the experience of Jones Intercable in Albuquerque (p. 52) shows that even a tough marketing challenge can be successfully met through imagination, creativity and commitment. Readers may salivate at their leisure upon learning that the Jones people pulled off an 846 percent increase in net growth, increased pay-to-basic penetration by 10 points while instituting a 39 percent rate increase.

But like ants at a picnic, the irritating question remains as to whether cable marketing is addressing subscriber retention, which is another way of inquiring into the state of customer service rep training and management. Cable's low point in that regard was perhaps reached in Dallas a few years back when the City Council put aside other weightier matters to consider an ordinance requiring the cable company to answer the phone before the number of rings reached three digits. Everyone chuckles about that now, but where are the success stories proving cable has solved that vital problem? Coming close is Prime Cable in Atlanta (p. 45); General Manager Allan Barnes says that where he used to get five complaint calls a week at home, that after some attention to CSR management he now gets fewer than that in an entire year.

Now, it may have nothing or everything to do with this rumination on customer service, but a press release from something called the Customer Service Institute recently crossed the transom, headlined "The Deadly Game of Losing Customers: The Real Dollar Costs of Alienation." The release talks about a study of the supermarket industry (another service business), and the danger of irritating customers. Using a model of a 100-store supermarket chain, the study says that an attitude of customer indifference, alienating one shopper per day at each of the 100 stores, would cost the chain $284.7 million a year in lost revenue.

CTAM's Margaret Durburow (p. 50) talks about the need to develop precise tools for gauging the return on investments in marketing. Wouldn't it also be wise to develop some tools for assessing the revenue saved by satisfying existing customers? The phones are ringing.

—Steve Tuttle
Editor and Associate Publisher

CableVision

William McGorry
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Steve Tuttle
Editor, Associate Publisher
Josh Gordon
Associate Publisher/Ad Director

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March 14, 1988
Volume 12, Number 39

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. March 14, 1988, Volume 12, Number 39. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

Jay Bush leaves Daniels to head Triax

DENVER--Daniels & Associates has seen its share of internal upheaval lately and now it is in for more. Last week the company confirmed that Jay Busch, who had been designated comanager of Daniels' newly reorganized investment banking and brokerage division (*CV* 2/1/88 p.24), will be leaving the company to take over the presidency of Triax Communications. Busch is an 11-year veteran of the company and was regarded as having the most brokerage experience among the executives currently working in that division.

At the same time, Marc Weisberg, vice president and the broker in charge of the Midwest, also will be leaving the company. He will join another former Daniels' broker, Bill James, in his new investment firm in Denver.

Last week Daniels executives were putting the best face on what was clearly a difficult situation. "The timing couldn't be worse," Bob Russo, Daniels' spokesman said, but Busch's move is "wonderful for him and everyone from Bill on down is delighted for Jay." Tim David, senior vice president in the investment banking division, will take over Busch's role as comanager of that division.

A former Daniels employee said that the company would feel Busch's loss where it would hurt most, in its brokerage business. "He was the last guy who was a proven diversified performer."

Over the past six months the company has experienced a number of defections, including its two most senior brokers. Busch had been held out as the next best hope for leading the company's brokerage activities. ■

Corrections

A typographical error in a chart listing the deals of cable brokers for 1986 and 1987, on pages 32 and 33 of the Feb. 1 issue, incorrectly gave the amount of Coaxial Capital's 1986 brokerage activity. The correct amount is $87.25 million.

An editing error in a Feb. 29 People page item, concerning the election of William Lanbert as chairman and CEO of Texscan Corp., incorrectly implied that Texscan is a unit of General Instrument.

UnNatural Opening. MTV celebrated the opening of its Museum of UnNatural History recently in New York. Attending the gala unveiling were, from left to right, Danny Socoloff, president, MEGA, who hosted the evening along with MTV; John Reardon, executive vice president, sales, MTV Networks; Carolyne Heldman, MTV VJ; Julie Brown, MTV VJ; and, Bob Friedman, senior vice president, marketing and promotion for MTV networks. The exhibition is a four-part three-dimensional showcase of MTV's look at the world of fashion, new music, technology and rock 'n roll history. Photo by Candace Drake.

WE COVER THE WORLD OF CABLE

When it comes to cable, Atlantic Video offers you a world of quality—in production, post-production and program-transmission. We have all you need to run a cable network. Just ask The Discovery Channel and Black Entertainment Television—they've already made Atlantic Video their home.

Our world-class facilities include:
- Two huge soundstages
- Four 1" editing suites
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- Live transmission or playback 24-hours a day, 7 days a week
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AV

ATLANTIC VIDEO
The Nation's Imagecrafters
150 South Gordon Street, Alexandria, Virginia 22304 (703) 823-2800

Pay-Per-View Supply Chart

March — Source

An American Tail (3/10) — **Universal**
MPAA Rating: G — Running Time: 81 mins.
Cast: Animated.

Beverly Hills Cop II (3/9) — **Paramount**
MPAA Rating: R — Running Time: 103 mins.
Cast: Eddie Murphy, Judge Reinhold, Brigitte Nielson.

Big Shot (3/31) — **Lorimar**
MPAA Rating: PG-13 — Running Time: 91 mins.
Cast: Risky Busker, Darius McCrary.

The Big Town (3/30) — **Columbia**
MPAA Rating: R — Running Time: 110 mins.
Cast: Matt Dillon.

Born in East L.A. (3/9) — **Universal**
MPAA Rating: R — Running Time: 85 mins.
Cast: Cheech Marin, Paul Rodriquez, Daniel Stern.

Disorderlies (3/2) — **Warner Bros.**
MPAA Rating: PG — Running Time: 86 mins.
Cast: The Fat Boys, Anthony Geary, Tony Plana.

The Garbage Pail Kids Movie (3/10) — **Paramount**
MPAA Rating: PG — Running Time: 100 mins.
Cast: MacKenzie Astin.

Good Morning Babylon (3/24) — **Vestron**
MPAA Rating: PG-13 — Running Time: 118 mins.
Cast: Vincent Spano, Charles Dance, Greta Scacchi.

Hell Raiser (3/31) — **HBO Enterprises**
MPAA Rating: R — Running Time: 90 mins.
Cast: Andrew Robinson, Claire Higens.

Hope and Glory (3/11) — **Columbia**
MPAA Rating: PG-13 — Running Time: 113 mins.
Cast: Sarah Miles, David Hayman.

It's Alive III: Island of the Alive (3/23) — **Warner Bros.**
MPAA Rating: R — Running Time: 95 mins.
Cast: Micheal Moriarity, Karen Black, Lcureen Landon.

Living on Tokyo Time (3/20) — **Skouras**
MPAA Rating: NR — Running Time: 83 mins.
Cast: Minako Ahashi, Ken Nakagawa.

The Lost Boys (3/30) — **Warner Bros.**
MPAA Rating: R — Running Time: 97 mins.
Cast: Corey Feldman, Jami Gertz, Keifer Sutherland.

North Shore (3/10) — **Universal**
MPAA Rating: PG — Running Time: 96 mins.
Cast: Mett Adler, Gregory Harrison, Mia Peeples.

Revenge of the Nerds II (3/24) — **20th Century-Fox**
MPAA Rating: PG-13 — Running Time: 91 mins.
Cast: Robert Carradine, Curtis Armstrong, Larry E. Scott.

Slammer Girls (3/1) — **Vestron**
MPAA Rating: R — Running Time: 82 mins.
Cast: Tally Brittany, Jeff Eagle.

Spaceballs (3/15) — **MGM/UA**
MPAA Rating: PG — Running Time: 96 mins., 4 secs.
Cast: Mel Brooks, John Candy, Rick Moranis.

Steele Justice (3/10) — **Paramount**
MPAA Rating: R — Running Time: 92 mins.
Cast: Martin Kove, Sela Ward, Ronnie Cox.

Street Trash (3/24) — **Vestron**
MPAA Rating: NR — Running Time: 91 mins.
Cast: Bill Chepil, Vic Noto.

Takin' It All Off (3/24) — **Vestron**
MPAA Rating: NR — Running Time: 91 mins.
Cast: Kitten Natividad, Diane Pedersen, Gail Thackray.

The Watcher in the Woods (3/3) — **Disney**
MPAA Rating: G — Running Time: 83 mins.,16 secs.
Cast: Lynn-Holly Johnson, Bette Davis, David McCallum.

April — Source

China Girl (4/20) — **Vestron**
MPAA Rating: R — Running Time: 89 mins.
Cast: Sari Chang, James Russo, Richard Panebianco.

Hail Hail Rock & Roll (4/7) — **Universal**
MPAA Rating: PG — Running Time: 120 mins.
Cast: Chuck Berry, Eric Clapton, Robert Cray.

Living Daylights (4/13) — **MGM/UA**
MPAA Rating: PG — Running Time: 130 mins.
Cast: Timothy Dalton, Maryann D'Abo, Jeroen Krabbe.

Made in Heaven (4/14) — **Lorimar**
MPAA Rating: PG — Running Time: 102 mins.
Cast: Kelly McGillis, Timothy Hutton.

Maid To Order (4/11) — **New Century/Vista**
MPAA Rating: PG — Running Time: 92 mins., 32 secs.
Cast: Ally Sheedy, Beverly D'Angelo, Dick Shawn, Valerie Perrine.

Near Dark (4/1) — **HBO Enterprises**
MPAA Rating: R — Running Time: 90 mins.
Cast: Adrian Pasdar, Jerry Wright, Tim Thomerson.

Pick Up Artist (4/21) — **20th Century-Fox**
MPAA Rating: PG-13 — Running Time: 81 mins.
Cast: Molly Ringwald, Robert Downey Jr., Dennis Hopper.

Platoon (4/6) — **HBO Entertainment**
MPAA Rating: R — Running Time: 113 mins.
Cast: Tom Berenger, Charlie Sheen, Wilem DeFoe.

Stakeout (4/14) — **Touchstone**
MPAA Rating: R — Running Time: 118 mins.
Cast: Richard Dreyfuss, Emilio Estevez, Madeleine Stone.

Steel Dawn (4/2) — **Vestron**
MPAA Rating: R — Running Time: 101 mins.
Cast: Patrick Swayze.

Three O'Clock High (4/7) — **Universal**
MPAA Rating: PG-13 — Running Time: 90 mins.
Cast: Casey Siemaszko, Anne Ryan, Richard Tyson.

Weeds (4/16) — **HBO Enterprises**
MPAA Rating: R — Running Time: 118 mins.
Cast: Nick Nolte, Lane Smith, Rita Taggart.

Zombie High (4/24) — **Sage Entertainment**
MPAA Rating: R — Running Time: 91 mins.
Cast: Virginia Madsen, Richard Cox, James Wilder.

Note: Running times are approximate.
NR indicates film not rated by MPAA.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Satcom 4, tr. 16	VideoCipher II	Movies, how-to's, special events. 24 hours per day, approx 50 titles per month	Currently serving 16 MSOs nation-wide (40,000 impulse addressable subscribers)
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	First-run movies, special events.	Available in systems serving 1,000,000 addressable subscribers)
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	Available in systems serving 1,000,000 addressable subscribers.
Request Television	November 27, 1985	Galaxy 1, tr. 12	VideoCipher II	Min. of four major motion pictures per week over 14 day cycle, special events	Available in systems serving 3.6 million subs. (2.5 million addressable).
Telstar Channels	June 5, 1986	Spacenet 2, tr.1,3,11,23	VideoCipher II	Channel 1: 2 movies per week,the newest and top-selling. Channel 2: Cult favorites, childrens and top of the charts video store sellers. Channel 3: Additional plays of movies 1 & 2 (frequency channel)	Available in systems serving 160,000 subs (60,000 addressable).
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Channels I & II: First-run movies, special events	Available in systems serving over 3 million subs.

Industry Growth

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	72,460,000	42,725,000	48	26,022,000	29
1986	87,800,000	69,632,000	41,772,000	47	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Cable barometer

Television households (TVHH)	87,800,000
Homes passed by cable (HP)	69,632,000
Percent of TVHH passed by cable	79.3%
Basic cable subs	41,772,000
Percent of TVHH with basic cable	47.5%
Percent of HP with basic cable	59.9%
Pay cable subs	24,101,000
Percent of TVHH with pay cable	27.4%
Percent of HP with pay cable	34.6%
Percent of basic subs with pay cable	57.6%

Satellite Lineup

Satcom III-R (RCA Americom)	**Transponder**
Arts & Entertainment	24
BET	20
Cable Radio Network	4
Cable Value Network	12
Cinemax (West)	23
ESPN (Blackout)	7
The Fashion Channel	1
Financial News Network	4
Genesis Storytime	3
HBO (West)	13
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
National Jewish Television	18
QVC Network	8
Reuter Monitor Service	18
Showtime (West)	10
Tempo Sound	6
Tempo Television	6
Tempo Text	6
The Travel Channel	16
Trinity Broadcasting Network	3
TV Decisions	24
USA Network (West)	10

Satcom IV (RCA Americom)	**Transponder**
Alternate View Network	10
American Movie Classics	10
America's Value Network	5
Biznet	6
Bravo	2
Gospel Music Network	3
Hit Video USA	18
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Liberty Broadcasting Network	7
Madison Square Garden Network	6
The Motivation Network	3
Movietime	17
National Black Network	19
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	24
Playboy On Demand	24
Prime Ticket	20
The Silent Network	23V
SportsChannel-New England	23
SportsVision	9
WPIX—New York	19

Satcom F1R (RCA Americom)	**Transponder**
KTVT (Dallas/Ft Worth)	22

Westar III (Western Union)	**Transponder**
CNN	5

Westar IV (Western Union)	**Transponder**
Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
Consumer Discount Network	24
National Christian Network	2
International Television Network	10D
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2

Westar V (Western Union)	**Transponder**
Fantasy Unrestricted Network (FUN)	24
FUN Weekend Pay-per-view	24
Moody Broadcasting Network	7D
Pro-Am Sports System (PASS)	8
The University Network	2
Zephyr Weather Information Service	7D

Telstar 303 (AT&T)	**Transponder**
American Exxxtasy	19

Galaxy I (Hughes)	**Transponder**
CBN Cable Network	11
Cinemax (East)	19
CNN	7
Country Music Television	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
Electra	18
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Headline News	8
The Inspirational Network	17
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
Request Television	12
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
SIN	6
Tempo Text	18
USA Network (East, Central)	21
Video Mall Network	22
WGN	3
WOR-TV	15
WTBS	18

Galaxy III	**Transponder**
C-SPAN	24V
C-SPAN II	14V
Eternal Word Television Network	10
Galactic Radio	11
Home Premiere Television	16
National Shopping Club	23
The Meadowlands Racing Network	17
Mind Extension University	11
MTV Music Television	17
Nick At Night	19
Nickelodeon	19
Video Hits One (VH1)	15
Viewer's Choice 1 + 2	21,18

Spacenet I (GTE)	**Transponder**
ACTS	15
SelecTV	13

Note: A company name in parentheses following a service or network designates the transponder owner.

Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,200,000	(12/87)
2.	American Television and Communications Corp.	3,695,000	(12/87)
3.	Continental Cablevision	1,556,000	(12/87)
4.	Storer Cable Communications	1,453,000	(12/87)
5.	Cox Cable Communications	1,438,067	(12/87)
6.	Warner Cable Communications Inc.	1,405,349	(12/87)
7.	Comcast	1,200,000	(10/87)
8.	United Cable	1,155,638	(12/87)
9.	Newhouse Broadcasting	1,060,759	(12/87)
10.	Viacom Cablevision	1,058,000	(12/87)
11.	Cablevision Systems Corp.	1,026,576	(1/88)
12.	Heritage Communications Inc.	1,026,224	(12/87)
13.	Jones Intercable	935,233	(1/88)
14.	Times Mirror Cable Television Inc.	918,480	(12/87)
15.	Sammons Communications Inc.	826,819	(12/87)
16.	UA Cablesystems Corp.	803,615	(2/88)
17.	Century Communications Corp.	680,400	(3/87)
18.	Paragon Communications	665,000	(1/88)
19.	Cooke Cablevision	618,900	(12/87)
20.	Cablevision Industries	591,428	(12/87)
21.	Daniels & Associates	590,618	(12/87)
22.	Adelphia Communications	581,114	(12/87)
23.	American Cablesystems Corp.	535,038	(12/87)
24.	Telecable Corp.	533,256	(12/87)
25.	Rogers Cablesystems Inc.	529,708	(12/87)
26.	Centel Cable	521,428	(12/87)
27.	Scripps-Howard	430,990	(12/87)
28.	Wometco Cable TV Inc.	395,679	(12/87)
29	Post-Newsweek	385,442	(1/88)
30.	Falcon Cable Comm	379,000	(2/87)
31.	Prime Cable Corp.	353,362	(12/87)
32.	TCA Group	337,999	(1/88)
33.	Multimedia Cablevision	304,610	(1/88)
34.	Maclean Hunter Cable TV Ltd.	296,969	(11/87)
35.	Tele-Media	287,345	(12/87)
36.	Lenfest Group	266,370	(1/88)
37.	Rifkin & Associates	260,000	(10/87)
38.	Colony Communications Inc.	250,786	(1/88)
39.	Western Communications	249,096	(12/87)
40.	TKR Cable Co.	236,042	(1/88)
41.	Cencom Cable	226,700	(1/88)
42.	Simmons Communications	225,648	(1/88)
43.	Communications Service Inc.	210,000	(12/86)
44.	Service Electric Cable TV Inc.	205,000	(11/87)
45.	TCI-Taft	197,853	(8/87)
46.	Hauser Communications Inc.	190,973	(12/87)
47.	Media General Inc.	163,000	(2/88)
48.	Harron Communications	158,982	(1/88)
49.	Greater Media	154,305	(12/87)
50.	Sutton Capital Corp.	152,053	(11/87)
51.	Palmer Communications	148,091	(12/87)
52.	First Carolina Communications Inc.	146,395	(10/87)
53.	Armstrong Utilities	141,989	(11/87)
54.	Essex Communications Corp	136,540	(11/87)
55.	Marcus Communications	135,766	(11/87)
56.	U.S. Cable Corp.	135,287	(11/87)
57.	Summit Communications	124,900	(1/88)
58.	Cable Systems USA	123,826	(12/87)
59.	Columbia International	117,911	(1/88)
60.	Bresnan Communications Co.	115,018	(2/88)
61.	King Videocable	114,100	(1/88)
62.	Northland Communications	114,025	(12/87)
63.	Harte-Hanks Communications	113,344	(12/87)
64.	Sonic Communications	111,585	(8/87)
65.	Multi-Channel TV Cable Inc	110,134	(9/87)
66.	Booth Communications	108,617	(1/88)
67.	Star Cablevision Group	103,733	(11/87)
68.	M.L. Media Partners	99,556	(12/87)
69.	Susquehanna Broadcasting	94,168	(12/87)
70.	Midcontinent Cable Systems Co.	90,863	(2/88)
71.	McDonald Group	90,079	(8/84)
72.	Omega Communications	90,000	(11/87)
73.	WEHCO Video	89,078	(12/87)
74.	United Video Management	86,341	(12/87)
75.	Coaxial Communications	84,859	(9/87)
76.	Pencor Services	83,281	(8/87)
77.	C-4 Media Corp.	69,482	(10/87)
78.	Masada Corp.	69,120	(10/87)
79.	Enstar Communications	68,546	(11/87)
80.	Selkirk Communications	68,000	(10/87)
81.	Rock Associates	67,215	(1/88)
82.	Chamber Communications Corp.	61,471	(12/87)
83.	Mountain Cable Co.	59,746	(1/88)
84.	Insight Communications	58,964	(1/88)
85.	Cardinal Communications	56,500	(1/88)
86.	North American Comm. Corp.	54,606	(12/87)
87.	Hearst Communications of California	53,866	(1/88)
88.	State Cable TV	51,490	(12/87)
89.	Helicon Corp.	50,000	(12/87)
90.	Dowden Communications	49,391	(12/87)
91.	Commonwealth Cable Systems	48,020	(11/87)
92.	Galaxy Cablevision	47,232	(1/88)
93.	Joseph Gans Cable TV	46,532	(11/86)
94.	Prestige Cable TV, Inc.	46,336	(2/88)
95.	New England Cablevision	45,947	(1/88)
96.	CableAmerica	44,000	(1/88)
97.	Leonard Communications	44,000	(2/88)
98.	Telesat Cablevision, Inc.	43,601	(12/88)
99.	Douglas Communications	43,597	(1/88)
100.	Acton Corp.	38,500	(10/87)

Subscriber counts are provided by MSOs and systems to *CableVision*. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1109, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	San Diego, CA	Cox Cable	291,914	(12/87)
2.	Woodbury (Long Island), NY	Cablevision Systems Corp.	291,349	(1/88)
3.	Manhattan, NY	ATC	242,000	(12/87)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	195,644	(11/87)
6.	Puget Sound, WA	Viacom	195,000	(12/87)
7.	Honolulu, HI	ATC	187,000	(12/87)
8.	Phoenix, AZ	Times Mirror	184,921	(12/87)
8.	Houston, TX	Warner Cable	183,432	(12/87)
10.	Hartford/Plainville/Vernon, CT	United Cable	169,333	(12/87)
11.	Chicago (suburbs)	Tele-Communications Inc.	163,000	(12/87)
12.	Wayne, NJ	UA Cablesystems	162,270	(2/88)
13.	Louisville/Jeff. Co., KY	Storer Communications	158,544	(12/87)
14.	Cincinnati, OH	Warner	157,332	(12/87)
15.	Englewood, CO	United	156,257	(12/87)
16.	Rochester, NY	ATC	154,000	(12/87)
17.	Hampton Roads, VA	Cox Cable	153,820	(12/87)
18.	Fairfax, VA	Media General	152,000	(2/88)
19.	Tulsa, OK	United	151,818	(12/87)
20.	Atlanta, GA	Prime Cable Corp.	149,697	(12/87)
21.	St. Louis Co., MO	Cencom Cable	145,876	(12/87)
22.	Cherry Hills, NJ	NYT	145,075	(7/87)
23.	Orlando, FL	ATC	143,500	(6/87)
24.	Jacksonville, FL	Continental Cablevision	143,000	(12/87)
25.	Kansas City, MO	ATC	137,000	(12/87)
26.	Manhattan, NY	Paragon Cable	132,000	(1/88)
27.	Buffalo, NY	Adelphia Communications	131,776	(12/87)
28.	San Jose/Campbell, CA	Gill Cable	131,600	(1/88)
29.	Baltimore County, MD	Comcast	130,000	(10/87)
30.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
31.	Charlotte, NC	ATC	125,000	(12/87)
32.	Long Island, NY	Viacom	119,000	(12/87)
33.	San Diego, CA	ATC	119,000	(12/87)
34.	San Francisco, CA	Viacom	117,000	(12/87)
35.	Austin, TX	ATC	115,000	(12/87)
36.	Pompano, FL	American Cablesystems	112,567	(12/87)
37.	Seattle, WA	TCI	112,500	(12/87)
38.	Warren, NJ	TKR	109,062	(1/88)
39.	Richmond, VA	Continental	107,000	(12/87)
40.	Toledo, OH	Blade Communications	105,470	(10/87)
41.	San Juan, PR	ML Media Partners	104,757	(12/86)
42.	Jefferson Parish/Kenner, LA	Cox Cable	100,879	(12/87)
43.	Grand Rapids, MI	UA Cablesystems	100,728	(2/88)
44.	Dallas, TX	Heritage	100,355	(12/87)
45.	Southeast Michigan	Comcast	100,031	(10/87)
46.	Wilmington, DE	Heritage	99,150	(12/87)
47.	Escondido, CA	Times Mirror	95,374	(12/87)
48.	Raleigh/Durham, N.C.	ATC	95,000	(12/87)
49.	Dade/Broward, FL	Storer	94,173	(12/87)
50.	Pinellas County, FL	Vision Cable	93,920	(9/87)
51.	Indianapolis, IN	Comcast	92,000	(10/87)
52.	Tacoma, WA	Viacom	92,000	(12/87)
53.	Pittsburgh, PA	TCI	91,000	(12/87)
54.	Boston, MA	Cablevision Co.	88,324	(12/87)
55.	Naples, FL	Palmer Communications	88,000	(12/87)
56.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
57.	Nashville, TN	Viacom	86,000	(12/87)
58.	Worcester Complex, MA	Greater Media	85,083	(12/87)
59.	Greensboro, NC	ATC	84,000	(12/87)
60.	Orange County, CA	Times Mirror	83,504	(12/87)
61.	Harrisburg, PA	Sammons Communications	81,589	(12/87)
62.	Las Vegas, NV	Prime Cable	81,204	(12/87)
63.	South Texas, TX	Heritage	80,604	(12/87)
64.	Dover/Morristown, NJ	Sammons	80,327	(12/87)
65.	Milwaukee, WI	Warner	80,000	(9/87)
66.	New Orleans, LA	Cox Cable	78,942	(12/87)
67.	Baton Rouge, LA	Daniels & Assocs.	78,888	(12/87)
68.	South Bend, IN	Heritage	77,963	(12/87)
69.	Albuquerque, NM	Jones Intercable	77,300	(2/88)
70.	Akron, OH	Warner	77,202	(12/87)
71.	Indianapolis, IN	ATC	77,000	(12/87)
72.	Cook County, IL	Continental	76,000	(12/87)
73.	Oakland County, MI	United	75,874	(12/87)
74.	Columbus, OH	Warner	75,774	(12/87)
75.	Allentown, PA	Service Electric	75,000	(9/87)
76.	Cleveland Heights, OH	Viacom	75,000	(12/87)
77.	Flint, MI	Comcast	75,000	(10/87)
78.	Hillsborough, FL	Paragon	75,000	(1/88)
79.	St. Petersburg, FL	Paragon	75,000	(1/88)
80.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
81.	Medford Complex (Boston Suburbs), MA	Warner	74,043	(12/87)
82.	Providence/Warwick, RI	Times Mirror	73,415	(12/87)
83.	Omaha, NE	Cox Cable	72,825	(12/87)
84.	Contra Costa Co., CA	Televents	72,252	(10/87)
85.	Fayetteville, NC	ATC	72,000	(12/87)
86.	Ocean County, NJ	Adelphia	71,744	(12/87)
87.	Lower Fairfield Co., CT	Cablevision Co.	71,168	(12/87)
88.	El Paso, TX	Paragon	71,000	(1/88)
89.	Oklahoma City, OK	Cox Cable	70,366	(12/87)
90.	Santa Monica, CA	Century	69,900	(12/85)
91.	Des Moines, IA	Heritage	69,721	(12/87)
92.	Little Rock, AR	Storer	69,121	(12/87)
93.	Lincoln, RI	Heritage	68,608	(12/87)
94.	Greater Bridgeport, CT	Cablevision Co.	68,506	(12/87)
95.	Madison, WI	TCI	68,000	(12/87)
96.	New Haven, CT	Storer	67,363	(12/87)
97.	Birmingham, AL	ATC	67,000	(12/87)
98.	Syracuse (suburbs), NY	NewChannels Corp.	66,952	(12/87)
99.	Winston-Salem, N.C.	Summit Communications	66,245	(1/88)
100.	Sarasota, FL	Storer	65,155	(12/87)

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3/30/88

MARCH 28, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

LOOKING AT THE UAE DEAL

ESPN EYES THE BASEBALL BIGS

HBO WITHDRAWS EXCLUSIVITY OFFER

TELCOS TURNED AWAY AGAIN

STATE REGULATION—IT'S BACK

THE MEDIA WARS: WRESTLING FOR VIEWERS

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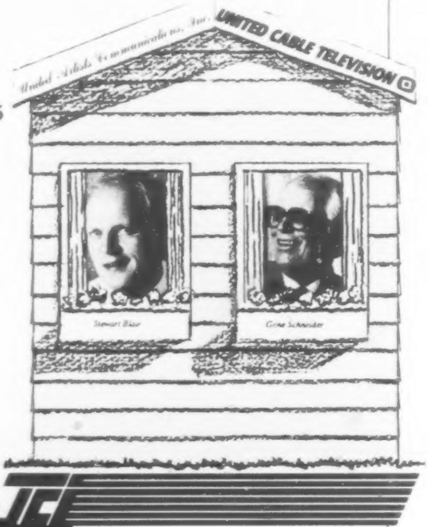
It's thumbs-up to the proposed merger of United Cable and United Artists as Wall Street investors and the industry in general assess the potential for the new entity, which becomes the third-largest MSO and the No. 1 owner of theater screens.



COVER STORY

Media wars 37
It's not news that television ain't what it used to be as the traditional lines blur and as cable and syndication come into their own. The arm wrestling for clout, viewers and advertisers continues a pace with no clear favorite in sight. But some deft analysis can be applied which at least shows where the pressure points are and where breakthroughs may come.

BETWEEN THE LINES

Stats pages: Our style of 'Just the facts, m'am'

In the classic television detective series *Dragnet*, Sgt. Joe Friday would turn that deadpan gaze on a witness and suggest "Just the facts, m'am." And over the years *CableVision* has taken that bit of cautionary advice to heart in the form of our pages of industry statistics.

It takes no small amount of work by our staff to assemble all the bits of data that make up the Top 100 MSO list, the Top 100 systems list, the satellite lineup chart, the pay-per-view supply chart and all the rest. But just as the box score at the end of an account of a baseball game tells exactly what happened and when, we feel these stat pages provide a useful, accessable and uncolored souce of information to our readers. We believe that because many of you have told us so.

But with this issue one of our major stats pages—the film product comparison chart—undergoes radical surgery. Turn to pages 28 and 29 for a look at the new format and then come back for the explanation.

The film product chart has been a complete (or as complete as we could manage) listing of every film in the pay window for the coming month. It told what pay channel the films were airing on, whether the film was exclusive to that channel or not, how many months the film had been in the pay window, the film's MPAA rating and identified the distributor.

In recent times, however, this became a mammoth undertaking as the number of films running on the pays proliferated. Even occupying two pages, a listing of all the movies required type that reminded many of the bottom line on the eye doctor's chart. Another nagging concern was that the chart completely ignored the growing number of original productions and specials running on the pay networks.

We puzzled over this for some time, talked to a great many people and considered all manner of esoteric solutions (one wag suggested keeping the chart as is but providing every reader with a magnifying glass) before an obvious answer occurred to us, ala John Malone's maxim to Keep It Simple, Stupid.

What *CableVision* was trying to provide was a look at what programming of note would be running on the pays next month. That would include movies new to the channel, several specials, original programs, sports events and other highlights. That we have done. And in total adherence to the KISS maxim, we have renamed those pages What's On the Pays. Clever, right?

We don't claim that this is a completed project, but it seems a good beginning. Readers with suggestions for improving the chart—again, ways that would make these stats pages more useful and accessable—will find a ready ear here.

Will readers soon see a chart listing What's On the Basics? We already try to highlight much of that in the Notes column in the Programming section. Sometimes there isn't as much space as we would like to highlight basic programming. And because the program lineups by the basics, with strips and other regularly scheduled shows, lend themselves more to a TV grid format creates other problems. We're also talking about five times as many channels to cover.

But certainly some reader will come up with a useful, workable suggestion for highlighting basic programming (no magnifying glasses, please) and we will follow through. We're quite serious about making every page of this magazine as good as it can be, whether it's a major analytical story on the stock market or the agate type on a stats page.

—Steve Tuttle
Editor and Associate Publisher

CableVision

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March 28, 1988
Volume 12, Number 40

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. March 28, 1988, Volume 12, Number 40. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

What's on the Pays/April

Cinemax

New Movies

Title	MPAA Rating	Distributor
And Baby Makes Three*	NR	Columbia
9 Deaths of the Ninja	R	Crown
Bad Company	PG	Paramount
Bang the Drum Slowly	PG	Paramount
Black Widow	R	20th Century-Fox
Bon Voyage, Charlie Brown	G	Paramount
Butch and Sundance: The Early Days	PG	20th Century-Fox
Come Back, Little Sheba (B&W)	NR	Paramount
Damnation Alley	PG	20th Century-Fox
Darling Lili	G	Paramount
The Dark Past*	NR	Columbia
Deference of the Realm	PG	Hemdale
The Driver	PG	20th Century-Fox
Drums Along the Mohawk	NR	20th Century-Fox
The Friends of Eddie Coyle	R	Paramount
The Grapes of Wrath (B&W)	NR	20th Century-Fox
Hannie Caulder	R	Paramount
Harlow	NR	Paramount
Hatari!	NR	Paramount
Heaven's Gate	R	MGM/UA
Holiday (B&W)*	NR	Columbia
House of 1,000 Pleasures	R	Group One
House of the Rising Sun	NR	Fox/Lorber
How Green Was My Valley (B&W)	NR	20th Century-Fox
Hunter's Blood	R	Concorde
I Was a Male War Bride	NR	20th Century-Fox
Knock on Wood	NR	Paramount
The Last Day	NR	Paramount
The Legend of Lizzie Borden	NR	Paramount
The Lion	NR	20th Century-Fox
Little Fauss and Big Halsy	R	Paramount
Little Shop of Horrors*	PG13	Warner Bros.
Lucy Gallant	NR	Paramount
Making Mr. Right	PG13	Orion
Mardi Gras	NR	20th Century-Fox
Morgan Stewart's Coming Home*	PG13	Kings Road
The Movie Palaces	NR	Smithsonian
My Darling Clementine (B&W)	NR	20th Century-Fox
My Friend Irma	NR	Paramount
The Naked Prey	NR	Paramount
A Night To Remember (B&W)*	NR	Columbia
No Mercy*	R	Tri-Star
'Only Angels Have Wings' (B&W)	NR	Columbia
Paris When It Sizzles	NR	Paramount
A Place in the Sun (B&W)	NR	Paramount
Playing For Keeps	PG13	Universal
PrettyKill	R	Lorimar-Telepics.
Rosemary's Baby	R	Paramount
Seconds (B&W)	NR	Paramount
Solarbabies*	PG13	MGM/UA
Somebody Loves Me	NR	Paramount
Sorry, Wrong Number (B&W)	NR	Paramount
Steaming*	R	New World
The Stepfather*	R	New Century
The Times of Harvey Milk	NR	Cinecom
Times Square	R	ITC
The Wager of the Three Wives	NR	Pandora
Wisdom	R	20th Century-Fox
Working Girls	NR	Miramax
Young Mr. Lincoln (B&W)	NR	20th Century-Fox

Original Programming/Specials

Cinemax Comedy Experiment: Autobiographies:
The Enigma of Bobby Pitman
Crazy About the Movies: Cary Grant: The Leading Man

Enigma of Bobby Pitman

Highlights

Hoosiers**	PG	Hemdale
Blind Date**	PG13	Tri-Star
Making Mr. Right	PG13	Orion

(**denotes duplicated and exclusive between Home Box Office and Cinemax)

The Disney Channel

New Movies

Around the World in 80 Days	G	Warner Bros.
Brighty of the Grand Canyon	NR	ACAMA Prod.
The Canterville Ghost*	NR	Wonderworks
Cluny Brown	NR	20th Century-Fox
Dot and the Koala*	NR	Cori Films
Escape to Witch Mountain	G	Disney
Heidi's Song*	G	Hannah Barbera
Hoboken Chicken Emergency*	NR	Wonderworks
Hobson's Choice	NR	Televentures
How the West Was Won	G	MGM/UA
Katy*	NR	N/A
The Little Shepard of Kingdom Come	NR	20th Century-Fox
Mystery on Monster Island	NR	20th Century-Fox
Peter-No-Tail in America*	NR	N/A
The Quest*	PG	Miramax
Return of the King*	NR	Lorimar
Samson and Delilah	NR	Paramount
Seven Thieves	NR	20th Century-Fox
Son of Fury	NR	20th Century-Fox
Sunday Dinner With A Soldier	NR	20th Century-Fox
Tail of a Tiger*	NR	Miramax
Thunderhead, Son of Flicka	NR	20th Century-Fox
To Find My Son	NR	Tri-Star
Topper	NR	Hal Roach
Tramp at the Door*	NR	Simcom

Original Programming/Specials

The Animated Haggadah
Disney's Salute to Mom*
The Making of Walt Disney's Captain EO*
'Who's in Charge Here?-A Ronn Lucas Special*
Kaleidoscope Concert: Caren and Craig*
Videopolis*

Mr. Mom

Highlights

The Diary of Anne Frank	NR	20th Century-Fox
Happily Ever After*	NA	NA
Konrad*	NR	Wonderworks
Maricela*	NR	Wonderworks
Mr. Mom	PG	20th Century-Fox
Return of the King*	NR	Lorimar
Son of Flubber*	G	Disney

Home Box Office

New Movies

The Adventures of Tom Sawyer*	NR	Nippon
The Allnighter	PG13	Universal
Blake Edwards' "That's Life"*	PG13	Columbia
Breaking Away	PG	20th Century-Fox
Clockwise*	PG	Thorn-EMI
Codename Wildgeese*	R	New World
Dancing in the Dark*	PG13	New World
Every Time We Say Goodbye*	PG13	Tri-Star
Fire and Ice	PG	Concorde
Hard Traveling*	PG	New World
Heat*	R	New Century
Like Normal People	NR	20th Century-Fox
Nice Girls Don't Explode*	PG	New World
The Return of the Soldier	NR	Brent Walker
Something Wild	R	Orion
Stalag 17	NR	Paramount
Summer Camp Nightmare	PG13	Concorde
Wanted Dead or Alive*	R	New World
Weekend Warriors	R	TMS Picture
The Wraith*	PG13	New Century

Original Programming/Specials

"And the Winner Is..."
Headlines #02
World Championship Boxing:
Fight Night Doubleheader
Dear America Letters Home From Vietnam

Tanner '88: For Real, Part 2

Tanner '88: For Real, Part 2
HBO Comedy Hour: Live From London
Not Necessarily the News of the World

Highlights

Hoosiers*	PG	Hemdale
Blind Date*	PG13	Tri-Star
Police Academy IV Citizens on Patrol*	PG	Warner Bros.

The Movie Channel

New Movies

All the Brothers Were Valiant	NR	MGM/UA
The Allnighter	PG13	Universal
The Appaloosa	NR	Universal
Armed Response	R	Cinetel
The Bible	NR	20th Century-Fox
Charade	NR	Universal
Come Back Little Sheba (B&W)	NR	Paramount
Except For Me and Thee	NR	Lorimar
The Exorcist	R	Warner Bros.
Eye of the Tiger	R	Video Media
The Fifth Missile	NR	TBS
Firewalker*	PG	Cannon
The Fixer	PG	MGM/UA
Grand Prix	NR	MGM/UA
Hardbodies 2	NR	Columbia
Hatari!	NR	Paramount
The Hill (B&W)	NR	MGM/UA
M Station: Hawaii	NR	Universal
Making Mr. Right	PG13	Orion
Mrs. Soffel	PG13	MGM/UA
My Undercover Years With the KKK	NR NA	Universal NA
A Place in the Sun	NR	Paramount
Quiet Cool	R	Universal
Rosemary's Baby	R	Paramount
Speedway	G	MGM/UA
Tai-Pan*	R	DEG
The Warrior and the Sorceress	R	New Horizons

Highlights

Firewalker*	PG	Cannon
Making Mr. Right**	PG	Orion
The Men's Club*	R	Paramount
Some Kind of Wonderful**	PG13	Paramount
Tin Men**	R	Touchstone

(**denotes duplicated and exclusive between Showtime and TMC)

Showtime

New Movies

The Allnighter	PG13	Universal
Catherine Cherie	R	W.P. Donnelly
Cover Girls	NR	Coca-Cola
Diary of Anne Frank	NR	20th Century-Fox
Fairy Tales	R	Goldwyn
FDR:The Last Years	NR	Universal
Go For Broke (B&W)	PG	MGM/UA
Happy Housewives	R	James Phillips
House of 1000 Pleasures	R	Satori
In Search of Historic Jesus	NR	Viacom
The Molly Maguires*	PG	Paramount
Pat and Mike (B&W)	NR	MGM/UA
The People Against O'Hara	NR	MGM/UA
The Red Tent*	G	Paramount
Rumplestilskin*	G	Cannon
The Sheriff and the Satellite Kid	NR	Viacom
Star Spangled Girl*	G	Paramount
Tea and Sympathy	NR	MGM/UA
They Only Kill Their Masters	PG	MGM/UA
Thirteenth Day: The Story of Esther	NR	Universal

Original Programming/Specials

Celebrity Close-Up
New Episodes of It's
Garry Shandling's Show
Showtime Comedy Club Network
Showtime's Classic Rock 'N'
Roll Reunion
Showtime Championship Boxing

Evander Holyfield
IBF/WBA Cruiser
Weight Champion

Highlights

CodeName: Kyril*	NR	Showtime
Poison*	NR	Showtime
Tin Men*	R	Touchstone
Some Kind of Wonderful*	PG13	Paramount
Street Smart*	R	Cannon
Allan Quatermain and the Lost City of Gold*	PG	Cannon
Wild Thing*	R	Paramount
Making Mr. Right	PG13	Orion

("New Movies" means never before seen on the individual service)
(* denotes exclusive)

There is no single front line in the media wars raging across the television landscape. Looked at one way, it's people meters where television fortunes are being won or lost as viewers are won or lost. From another angle, the feints and sorties by the Big 3 into cable define other strategic battles. And inside the Beltway other, more subtle but no less intense conflicts are occurring in the power corridors of Washington that also are shaping what television will look like in the 1990s.

Metering the TV wars: who's ahead; why?

By Wayne Friedman

This time last year the broadcasting community was bracing for the arrival of the people meters. It seemed the war between the different broadcast windows would come to a head with the introduction of the new measuring service. Cable and syndication executives hoped the people meters would give them parity with the traditional broadcast networks.

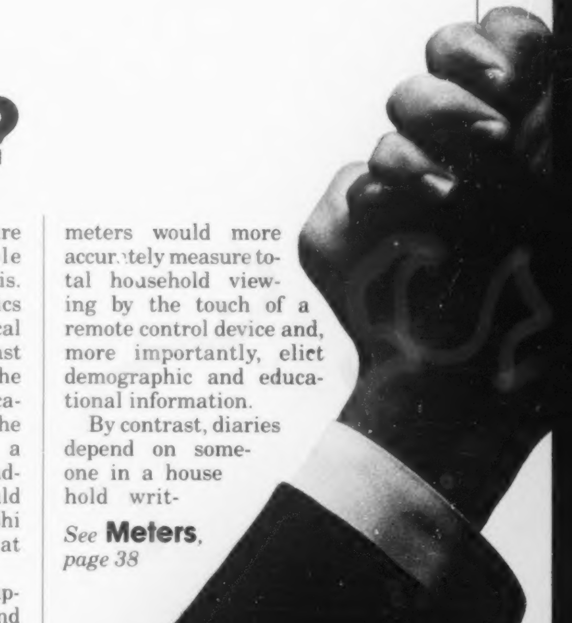
That might indeed happen when all three broadcast outlets are fully on line with people meters come September. So far, early results indicate that the trends that existed before the arrival of people meters are continuing; that is, networks losing shares, kids programs dropping overall in ratings and syndication and cable numbers improving.

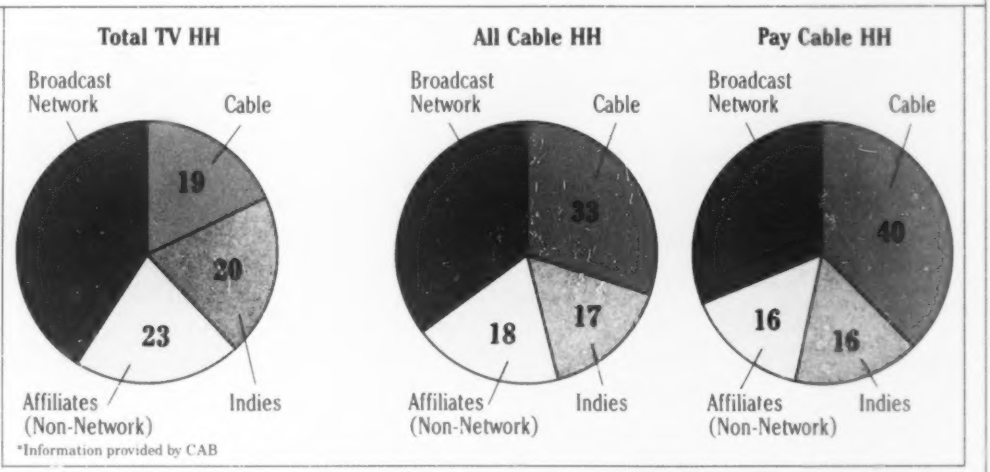
Nielsen says people meters are needed because it can't accurately measure network, syndication and cable demographics on a like-to-like basis. Syndication and cable demographics have been measured by 100,000 local diary households while the broadcast networks were counted only on the 2,500 national diary sample (syndicators, to a lesser extent, also used the 2,500 national diary sample). As a result, in comparing the different advertising media, ad agency heads could only judge them as they would sushi and cajun food: It's what suits best at a particular moment.

People meters, in theory, are supposed to put network, syndication and cable windows on equal footing. Everyone will be measured on one sample—around 4,000 households for Nielsen by September, 5,000 households for the new British ratings company, AGB. Not only that but the meters would more accurately measure total household viewing by the touch of a remote control device and, more importantly, elict demographic and educational information.

By contrast, diaries depend on someone in a house hold writ-

See **Meters**, *page 38*





*Information provided by CAB

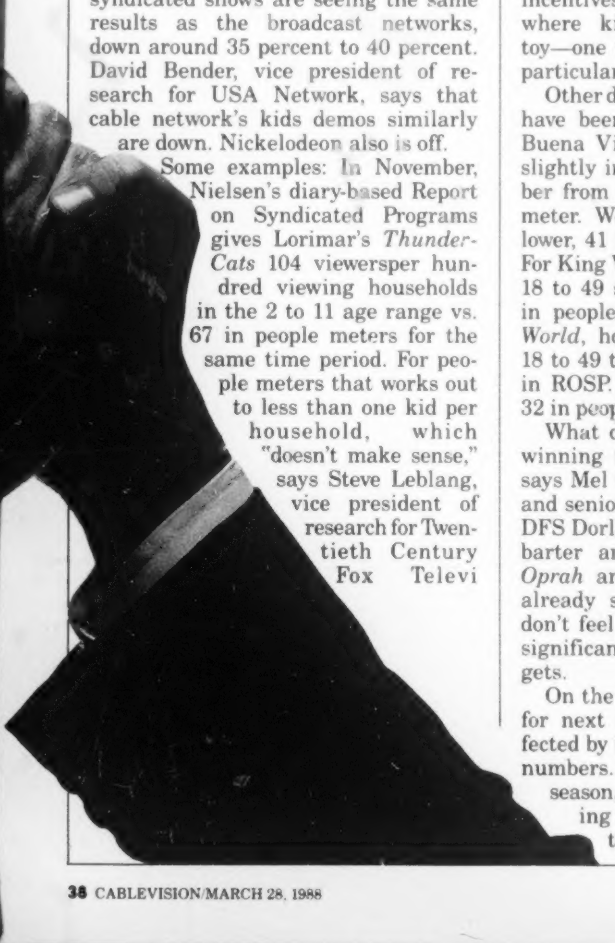
Meters, *from page 37*

ing down which shows were viewed. Researchers have long suspected that many households either generally forget to jot down what they viewed or waited until the end of the week to list their programs. So a show like NBC's *The Cosby Show* might at the end of the week get a notation in a diary book just because it's popular, when, in fact, that household may have missed the show.

The first people meter results seem to suggest that total viewing generally is down from a year ago when the diaries were in force. Prime time, for instance, is down 3 percent for all broadcast media. HUT levels (homes using televisions) also are off.

Almost universally, the biggest losses have been in kids programming. NBC and ABC Saturday ratings are down 34 percent from a year ago, through the first week in March. CBS was spared with only a 12 percent drop. Kids syndicated shows are seeing the same results as the broadcast networks, down around 35 percent to 40 percent. David Bender, vice president of research for USA Network, says that cable network's kids demos similarly are down. Nickelodeon also is off.

Some examples: In November, Nielsen's diary-based Report on Syndicated Programs gives Lorimar's *Thunder-Cats* 104 viewersper hundred viewing households in the 2 to 11 age range vs. 67 in people meters for the same time period. For people meters that works out to less than one kid per household, which "doesn't make sense," says Steve Leblang, vice president of research for Twentieth Century Fox Television. Likewise, Buena Vista's *Duck Tales* posted a 112 in Nielsen's ROSP, and an 80 in people meters; Columbia Television's *Real Ghostbusters* dropped from a 104 in ROSP to a 77 in people meters.



Kids, according to Nielsen, are having difficulty in learning to use the people meter controls. The measuring service is working with psychologists in trying to help educate children to use the people meter properly. In addition, the company is also offering incentives in the form of a catalog where kids can pick out a small toy—one that is not associated with a particular kids show.

Other demographic compositions also have been altered for certain shows. Buena Vista's *Siskel & Ebert* slipped slightly in women 18 to 49 for November from 44 in ROSP to 41 in people meter. Women 25 to 54 also nudged lower, 41 in ROSP, 33 in people meter. For King World's *Oprah Winfrey*, women 18 to 49 sank from 48 in ROSP to 41 in people meter. MCA's *Out of This World*, however, saw gains in women 18 to 49 to 43 in people meter from 36 in ROSP. Men 18 to 49 were also up; 32 in people meter against 26 in ROSP.

What does all this say about who's winning the media wars? Not much, says Mel Conner, senior vice president and senior associate media director for DFS Dorland Worldwide, because most barter arrangements for shows like *Oprah* are multi-year deals, and are already set. In addition, syndicators don't feel these changes will result in significant shifts in advertising budgets.

On the network side, however, prices for next season certainly will be affected by this year's lower people meter numbers. For the current '87 to '88 season, the networks' upfront advertising selling witnessed 15 percent to 20 percent increases in costs per thousand viewers (CPMs) in many dayparts. "Essentially they recognize they were going to deliver totally a lot fewer demographic ratings (because of people meters)," says Conner. "That was really why they kicked the prices up." Next year might be a different story, says Conner. He forecasts single-digit increases for prime time, late night and news, with daytime either flat or lower than this year's upfront prices.

Cable programmers have been fortunate. Unlike broadcast networks, their total household ratings have been generally higher, up 14 percent for all basic networks on a 24-hour basis in the fourth quarter, 35 percent higher in prime time, 8 percent larger in daytime, all against the same period the year before with the old sample. Still, says Cabletelevision Advertising Bureau President Bob Alter, the numbers would have been higher if the people meter's weren't around.

Some preliminary demographic information for the basic cable networks is telling a variety of different stories. Jack Hill, vice president of research for the CAB, reports that some networks are seeing a shift in their key demographics. On a 24-hour basis for November, MTV's 12 to 17 demographic VPVH numbers, for instance, are 32 percent lower in people meters vs. the diaries. Surprisingly, kids 6 to 11 are 29 percent higher in the people meter vs. the diaries for the music network. ESPN has seen a mild drop of 9 percent in men 18 to 49; a larger 18 percent drop in women 18 to 49. Lifetime is up 8 percent in men on a 24-hour basis, but down 3 percent in women. For kids 2 to 11, Nickelodeon is off 15 percent from 8 a.m. to 1 p.m. Saturday, and down 16 percent weekday afternoons 4:30 to 7:30 p.m. Teens

See **Meters**, *page 40*

Meters, *from page 38*

12 to 17, however, are up 11 percent on weekday afternoons. On a 24-hour basis, CNN gained 11 percent in all men's demographics, but it lost 21 percent in all women demos. Women were also down 12 percent in prime time on CNN; men were up 2 percent.

Hill warns, as do most other industry experts, that these preliminary numbers are an initial rough reading. All of these numbers are based on a November sample of 2,000-plus households which doesn't fully recognize cable's entire universe, according to Nielsen. And as Mary Ann Madigan, vice president and network program supervisor for DDB Needham Worldwide, says, because the broadcast network demographics now are completely different compared to the first lot of demographic numbers posted back in April 1986, assessments of cable's first people meter sampling needs to be taken not just with a pinch of salt, but more like a shaker full.

Overall, CAB's Alter says the people meter will be a positive development for cable. But people meter methodically needs to be followed closely in order for it to accurately reflect cable's growth. One of cable's complaints in the past was that networks weren't accurately measured in homes that used VCRs; VCR usage is high among cable subscribers. USA's Bender notes that when Nielsen had problems hooking up the old meter to cable households, it was because of VCRs in those homes. If Nielsen was turned away from a cable household, it wouldn't always replace that home with a cable/VCR household—which would skew ratings differently. Bender says Nielsen still has this problem of hard wiring any measuring technology through a cable/VCR household, but because there are more VCRs in non-cable homes, the differences between cable and broadcast television are narrowing.

For some researchers, the movement from a big to small sample size remains a possible problem. Cable and syndication demos which were measured with 100,000 households will now be determined on 4,000 homes. Syndicators say that is hurting the weekly shows, but not the strips. There is less variation of ratings with strips because they run five times a week, in contrast to the one day weekly shows.

Likewise for cable, Ron Schneier, vice president of research for A&E, says because the sample size is smaller,

See **Meters**, *page 44*

TV's D.C. po

NCTA is defensive, MPAA is sli

By John Wolfe

While the competitive relationship between cable, broadcasting and Hollywood continues to evolve, the relative political strengths of the industries' major trade associations have remained fairly constant, according to a number of lobbyists and congressional insiders. For cable, this is good news; for broadcasters, the picture isn't as pretty.

The National Cable Television Association, now clearly on the defensive, still is considered an efficient and successful lobbying force. The Motion Picture Association of America and its president, Jack Valenti, are seen as flashy and effective.

But the broadcasters—the National Association of Broadcasters in particular—still are viewed as unwieldly, inconsistent and ineffective. And while NAB's professional staff has made gains on Capitol Hill, the association's cumbersome board of directors has rendered the organization unable to advance a consistent public policy agenda, according to lobbyists and Hill staffers.

The political clout of the three industries, always important, becomes even more so as Congress gears up to examine a host of cable-related policy issues ranging from the implementation of the 1984 Cable Act and mandatory access to cable programming to must-carry and copyright. And efforts to permit telephone company entry into cable—considered a key issue for the next Congress—will place a premium on political strength, observers predict.

Indeed, the spectre of telco competition, coupled with the growing cross-

Getting cable friendly

> The nets badly want in
> signs that they are willi
> of the business.
>
> —Analyst John Reidy

By Virginia Munger Kahn

Nothing more clearly points up the perception of where the cable and broadcast industries are going these days than the drive by NBC to partake of cable's growing bounty and ABC's obvious pleasure with its investment in ESPN. Both companies readily admit it makes eminent sense for them to increase their role in the cable industry given the "mature" state of the network business and the obvious growth prospects of cable.

Industry analysts vary in their opinions on the importance of network involvement in cable and clearly CBS is the exception to the trend among the networks in diversifying their businesses. Yet even those analysts who believe it is imperative for the networks to increase their involvement in cable admit it will be increasingly difficult for them to find a vehicle for

How People Meters See The Networks
(comparing the '87-'88 season with the season before, through March 6)

	'87-'88	'86-'87	Change
Saturdays (Kids 2-11)			
CBS	8.3	9.4	-12%
NBC	8.2	12.4	-34%
ABC	6.0	9.1	-34%
Daytime (Women 18-49)			
CBS	3.6	4.1	-12%
NBC	3.1	3.3	-6%
ABC	5.2	5.2	unchanged
Prime (Men 18-49)			
CBS	8.6	10.9	-21%
NBC	11.4	13.3	-14%
ABC	9.7	10.3	-6%
Prime (Women 18-49)			
CBS	6.5	8.1	-20%
NBC	8.9	10.7	-17%
ABC	8.8	8.9	-1%

'87-'88 numbers are Nielsen People Meter

Meters, *from page 40*

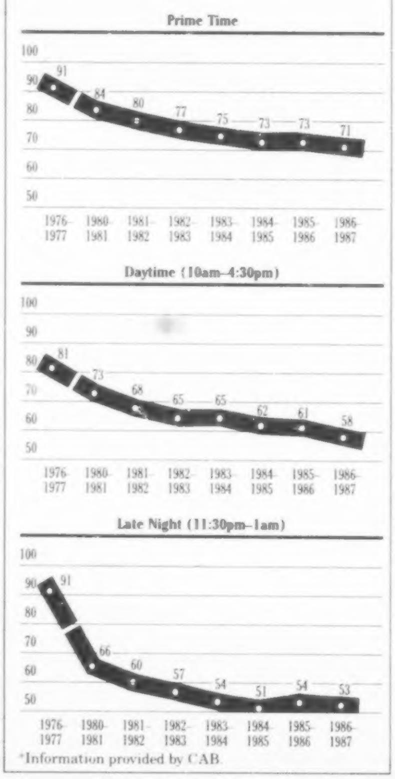
more errors could occur. That could force cable networks to report only broad-based quarterly numbers instead of monthly figures, he says. It may be necessary to look at dayparts, not individual shows. He says with 4,000 households and a typical 2 cable rating, measurement turns on a slim 35 homes for some cable networks, which could lead to inconsistant numbers. "If people were concerned about the demographics for network TV, they should be real concerned about the demographics for cable," he says.

In the long term, most cable researchers think the switch is warranted. While the diary method is more reliable because of the larger sample size, says USA's Bender, it isn't as valid. He says the numbers coming out of the diaries generally are reported with the same mistakes over and over again. With diaries, Bender says, there is no bounce, no great error fluctuations. But this might happen with people meters.

To eliminate major demographic swings in people meters, Nielsen will change the sample size more frequently than in the past—every two years vs. every five years for diaries and three years for the older meters. Why? Gerry Jaffe, vice president of research projects for NBC, says because "the longer a household stays in the people meter sample, the less likely they are to cooperate, if, in fact, the adults in the household are young. Particularly the men. They just stop pushing the buttons." Still, even a two-year turnover probably isn't enough, says Jaffe, for accurate measurement.

Most cable and syndicators say to counteract any discrepancies the people meter might have in the early going, they will sell their ad time off diary demographics in some cases for the next season or two. DDB Needham's Madigan will, for the most part, use the '87 ro '88 broadcast season diaries for buying cable in the '88-'89 season, with some people meter demographic information as a supplement. But she doesn't foresee any major changes. "I am not anticipating huge variances on the VPVHs," she says, adding that some DDB Needham deals are bought just on the broader household rating data anyway. Madigan says if, however, September demographic people meters numbers are lower than the diaries, then people meter information will become more critical. "It's to my advantage from a negotiating standpoint to back up the truck," says Madigan, with additional people meter data. At the same time, she says, it's a cooperative effort. "I don't want to put the networks out of business either."

Broadcast Network Shares Continue To Erode



*Information provided by CAB.

Although there is credible demographic information available to ad agencies on the people meter for syndication's adult programs, most of the syndication community has convinced Madison Avenue to use the '87 to '88 diary information to buy this coming '88-'89 season for the troubled kids shows. Because animated and other children's programs are in such disarray, Bruce Rosenblum, senior vice president of research for Lorimar Telepictures, says syndicators have convinced advertisers to read off the diaries for another year—the '89-'90 season—. He says all but one or two agencies are going along.

No matter what sort of demographics will arise come September this year, the same equation will generally exist for advertisers in divvying up their national broadcast budgets. First comes the broadcast network buy, which is usually secured in late spring/early summer, then syndication a few weeks after that, and finally cable. "We are number three on the hit list," says John Silyestri, senior vice president of advertising sales for USA Network. The difference with cable now than in previous years is that cable has a specific piece of a television advertiser's national budget. Says Tom Winner, senior vice president and director of national broadcast for William Esty Co., "We are a lot closer to cable being more than a supplemental buy. There is not one national broadcast buy we make, without considering cable. And in most cases, we end up taking a portion of our national dollars on putting it into cable."

People meters will play a role in helping to measure the quality of programming among the broadcast windows. In the long run that advantage might appear to aid syndicators/independent stations and cable, possibly hurting the networks. Even without people meters, industry followers say, network shares already were slipping, as were most kids programs. Still, NBC's Jaffe voices a common network view of the measuring system: "The diary was a less-than-perfect measure, but a damn good measure for us. And the people meter numbers are not a particularly good measure, not for us, and not for anybody." ■

CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	351	6,300,000
Alternate View Network	243	3,000,000
America's Value Network	212	6,000,000
Arts & Entertainment (A&E)	2,500	30,000,000
Black Entertainment Television (BET)	1,000	18,000,000
Cable News Network (CNN)	11,770	44,300,000
Cable Value Network	1500	18,400,000
CBN Cable Network	7,919	38,981,000
C-SPAN	2,750	33,000,000
C-SPAN II	475	12,500,000
Country Music Television	568	6,800,000
The Discovery Channel	2,700	27,494,000
ESPN	18,936	46,100,000
Eternal Word Television Network (EWTN)	427	9,000,000
The Fashion Channel	600	8,700,000
Financial News Network (FNN)	1,770	27,300,000
FNN/Score	1,150	19,800,000
FNN/TelShop	850	11,000,000
GalaVision	300	1,000,000
Headline News	3,725	30,124,000
Hit Video USA	170	2,164,000
Home Shopping Network	1,270	14,636,087
Home Shopping Network 2	295	5,112,658
The Inspirational Network	1,050	10,500,000
International Television Network	56	7,868,900
The Learning Channel	930	11,100,000
Liberty Broadcasting Network	42	1,121,718
Lifetime	3,600	37,200,000
Mind Extension University	63	1,300,000
The Motivation Network	13	200,000
Movietime	60	4,000,000
Music Television (MTV)	4,590	39,400,000
The Nashville Network	6,954	38,994,000
National Jewish Television (NJTV)	295	6,800,000
NewJaz-TV	200	300,000
Nick At Night	3,175	32,500,000
Nickelodeon	5,670	37,900,000
The Nostalgia Channel	185	2,500,000
QVC Network	810	11,200,000
Shop Television Network	60	3,000,000
Silent Network	380	10,000,000
Tempo Television	700	14,500,000
The Travel Channel	220	7,000,000
Trinity Broadcasting Network	523	7,037,000
USA Network	10,100	42,500,000
Video Hits One (VH-1)	1,715	24,700,000
Video Shopping Mall	600	14,000,000
The Weather Channel	3,100	31,600,000
WGN-TV	10,809	23,888,216
WOR-TV	2,293	9,657,482
WPIX-TV	617	8,875,212
WTBS-TV	12,664	43,414,000

Pay services

Pay services	Affiliates	Subscribers
American Exxxtasy	35	25,000
American Movie Classics	1,400	10,000,000
Bravo	350	1,300,000
Cinemax	3,650	5,100,000
The Disney Channel	4,300	3,810,000
Festival	N/A	N/A
Home Box Office (HBO)	6,700	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	600	520,000
Showtime	3,200	5,700,000

Audio services

Audio services	Affiliates	Subscribers
Cable Radio Network	40	1,310,000
KKGO Super Jazz	16	131,832
Moody Bible Institute	62	935,528
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,576,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	107	1,250,000
WFMT Chicago	177	1,233,355

Text services

Text services	Affiliates	Subscribers
AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	40	875,328
DBC/MarketWatch	433	8,400,000
Electronic Program Guide (EPG)	321	6,494,395
EPG Jr.	161	152,178
EPG Prevue	N/A	N/A
Genesis Cable Storytime	39	1,550,000
Reuters News View	127	2,437,000
TV Decisions	177	7,000,000
X*Press Executive	350	4,000,000
X*Press Exchange	350	4,000,000

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Video Entertainment	195	15,000,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,000
Telaction	N/A	N/A
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	160,000
Bay Area Religious Channel (BARC)	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	35	1,364,836
The Ecumenical Channel	9	170,000
KTVT	415	3,502,352
Life Newsvision	35	50,000
Madison Square Garden	105	2,200,000
Meadows Racing Network	14	600,000
News 12 Long Island	7	500,000
Prime Cable	8	344,350
Prime Ticket	37	2,250,000
SportsVision (Chicago)	48	1,200,000

Pay services

Pay services	Affiliates	Subscribers
Home Sports Entertainment Houston/Dallas	180	650,000
Home Team Sports	114	719,000
New England Sports Network	160	217,884
PRISM-Philadelphia	87	422,329
Pro-Am Sports	140	301,000
SportsChannel (Florida)	2	45,000
SportsChannel (New England)	147	800,000
SportsChannel (New York)	92	1,000,000
Z Channel	17	80,000

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1109, New York, NY 10016.
N/A denotes information not available.
TBA denotes to be announced.

Announced services

Satellite-fed services	Expected launch
ATV:Advertising Television	2nd Quarter 1988
Family Guide Network	1st Quarter 1988
International Cablecasting's CD/8-Digital Music Network	7/88
Kids Information Network	3/88
The Landscape Channel	4th Quarter 1988
Laugh TV	2nd Quarter 1988
Main Street	4th Quarter 1988
Telamerica Broadcast Network	2nd Quarter 1988
Teleworld Network Television	5/88
TNT	10/88
Visions Interface Satellite Network	7/88
Wingtips	2nd Quarter 1988
You TV	3/88

4/17/88 C4722-2

APRIL 11, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

TURNER HOSTS THE DEMOCRATS

UNWIRED NETWORK EXPANDS

FIBER PRODUCTS AT NCTA SHOW

SPACELINK UNVEILS AN OFFERING

TNT LANDS MAJOR CARRIAGE DEALS

GETTING THE AD ON THE AIR: BOOMING BUSINESS IN LOCAL SALES

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SRI
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BETHESDA MD 20814

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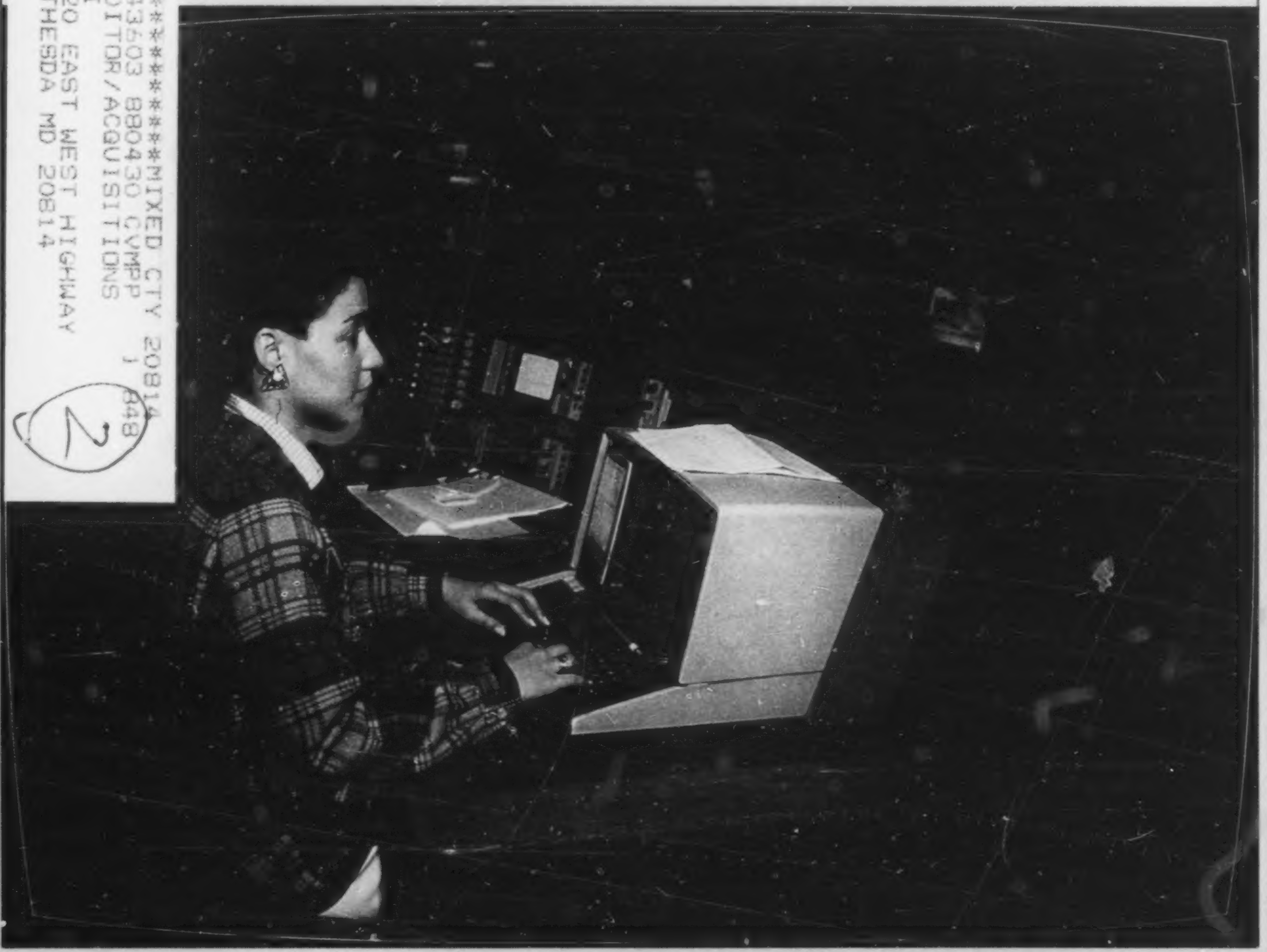

CableVision

FRONT LINE

The Markey hearing 12
Some hard questions are asked, but cable interests escape with minor bruises from the House Telecommunications Subcommittee's oversight hearing. Two more such sessions are in the offing, where the stakes—and the rhetoric—should be substantially higher.

Cable Month kicks off 16
With a potential of 56 million viewers watching a special preview, Cable Month gets under way in the industry's second attempt at national promotion.

How's business? 20
Somewhat lost in all the talk about cable shows going into syndication is FNN's *Business This Morning*, which isn't setting the world on fire but is holding its own.

Werner ankles to ABC 20
Roger Werner, a powerful figure at ESPN the last few years, causes some gasps at being named the No. 2 executive at the ABC Television Network Group. In other surprising moves, ex-NCTA head Bob Schmidt takes over the wireless cable industry.

A cellular Century 21
Century Communications makes further inroads into the cellular telephone industry with the purchase of three systems for about $80 million.

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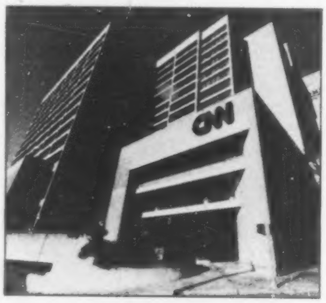
PROGRAMMING

TBS and Tribune expand ad deal 22
Last time it brought in more than $10 million in ad buys from Procter & Gamble, and this time it should do even better. Turner Broadcasting and Tribune Broadcasting are bringing another six independent stations into their unwired advertising network, and agency buyers are taking notice.

LAW AND REGULATION

A crack in deregulation 30
"Effective competition" just got more effective with an FCC decision requiring that a TV signal be available to the entire franchise area before it can be counted toward the three signals necessary for deregulated rates. But industry officials say the impact will be slight.

The FCC wants YOUR data 30
Meanwhile on M Street, the FCC launches an inquiry into how TV stations are faring in the post-must-carry world. It wants to know how many stations have been dropped or repositioned and lots of other interesting detail. They'll be calling on you.



MEDIA WATCH

A home court advantage 34
When the Democrats gather this summer to pick their presidential ticket, all the politicking will occur in Ted Turner's backyard, or, more specifically, in his building. The international media event is focusing attention on CNN and how it will act as host to its news competitors.

MANAGEMENT

New fiber products 36
The NCTA show is shaping up as something of a grand opening for many manufacturers of fiber optic products. The number and complexity of lightwave systems is proliferating and the cost is coming down.

BUSINESS AND FINANCE

A Spacelink special 51
In its largest offering yet, Jones Spacelink has begun selling a $300 million public limited partnership to acquire and operate systems. The fund's goals are to provide investors with regular dividends and capital appreciation.

Local ad sales are booming, and making sure each spot runs properly can be tricky. At Manhattan Cable in New York, Carmen Ajaye monitors commercial insertion on 12 cable networks.
Photo by Candace Drake

COVER STORY

Making the sale 42
It hasn't been an easy task persuading national television advertisers to spend large sums on cable, but the job is getting done. And more help is on the way from the CAB, which opens its annual convention this week.

BETWEEN THE LINES

Cable political ads: An insider's assessment

"Like everything else in the cable industry, the political use of the medium has been overpromised. ...It was expected to have a big impact in 1984, and it didn't. It was expected to be important in 1986, and it wasn't."

After throwing that bucket of cold water on cable's aspirations to emerge as a major vehicle for political advertising, Richard Armstrong goes on to take back most of it in his new book, *The Next Hurrah* (Beech Tree Books, 300 pp., $18.95). "Will cable have an impact on American politics? In subtle ways, I think the answer is yes," he later concludes.

Armstrong, something of a *wunderkind* in direct mail marketing, devotes a fat chapter to cable in his examination of the packaging and selling of politicians. He rehashes, somewhat breathlessly, the story of Rep. Barney Frank's stunning upset of eight-term incumbent Margaret Heckler in the 1982 congressional elections in Massachusetts. Frank, as many of you will recall, bought wall-to-wall ad time on Whaling City Cable TV in the district's pivotal Fall River community, swung most of that town's Portuguese community his way and stole the election from under Heckler's nose. "It would go down in history as the first, and still the best, use of cable television in a political campaign," Armstrong asserts.

But cable isn't likely ever to supplant broadcast television as the medium of choice for politicians, Armstrong believes. Using a military analogy, he says network advertising will be like saturation bombing by B-52's, while cable can become a politician's tanks, knocking out specific bridges and other narrow targets. That's because a candidate, using cable, can reach specific audiences. All of this makes for quite interesting reading. Armstrong even offers an appealing answer to the question why political media managers don't use cable more than they do. Most such practitioners are retained for a flat fee plus 15 percent of the cost of the media buy. 15 percent of a $125,000 spot on a broadcast network is a nice piece of change. The same cannot be said for a $1,250 spot on cable.

—Steve Tuttle
Editor and Associate Publisher

LETTERS

Editor:

Your Cablescope piece that cynically reported my support of Sen. Albert Gore Jr. for president (*CV* 3/14/88 p.8) unfortunately missed both the facts and the point.

The fund-raising event was organized by me—invitation list; personal stationery; location; menu; conversations with Gore's national and state finance chairman; coordination with other studio executive co-sponsors; etc. This was not a Disney Channel event.

Moreover, I have been trained to place the broader issue of electing the country's leader ahead of a narrow personal or business interest. Of course, I oppose S.889, legislation which would mandate third-party packaging of scrambled cable programming. In November 1987 I tried, with no success, to convince the senator's staff and a number of other senators of the flaws in the proposed legislation. In Washington my voice remains strong in opposition to the Gore bill.

However, it would be both cynical and naive on my part or on any observer's part to assume that my support of Sen. Gore for president could have any influence on the proposed legislation.

I support Sen. Gore for president because I believe he is by education, background, temperament and character an heir to the legacy left by those few presidents who were able to motivate and move a nation.

John F. Cooke
President
The Disney Channel

Editor's Note: The item specifically stated that the fundraiser was hosted by Cooke. It quoted a Disney spokesman as saying it was "not an official Disney Channel function" and that Cooke had "invited people both in and out of the entertainment industry."

CableVision

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April 11, 1988
Volume 12, Number 41

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. April 11, 1988, Volume 12, Number 41. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

PROGRAMMING/Pay-Per-View Supply Chart

April — Source

China Girl (4/20) — **Vestron**
MPAA Rating: R Running Time: 89 mins.
Cast: Sari Chang, James Russo, Richard Panebianco.

Hail Hail Rock & Roll (4/7) — **Universal**
MPAA Rating: PG Running Time: 120 mins.
Cast: Chuck Berry, Eric Clapton, Robert Cray.

Living Daylights (4/13) — **MGM/UA**
MPAA Rating: PG Running Time: 130 mins.
Cast: Timothy Dalton, Maryann D'Abo, Jeroen Krabbe.

Made in Heaven (4/14) — **Lorimar**
MPAA Rating: PG Running Time: 102 mins.
Cast: Kelly McGillis, Timothy Hutton.

Maid To Order (4/11) — **New Century/Vista**
MPAA Rating: PG Running Time: 92 mins., 32 secs.
Cast: Ally Sheedy, Beverly D'Angelo, Dick Shawn, Valerie Perrine.

Near Dark (4/1) — **HBO Enterprises**
MPAA Rating: R Running Time: 90 mins.
Cast: Adrian Pasdar, Jerry Wright, Tim Thomerson.

Pick Up Artist (4/21) — **20th Century-Fox**
MPAA Rating: PG-13 Running Time: 81 mins.
Cast: Molly Ringwald, Robert Downey Jr., Dennis Hopper.

Platoon (4/6) — **HBO Entertainment**
MPAA Rating: R Running Time: 113 mins.
Cast: Tom Berenger, Charlie Sheen, Wilem DeFoe.

Someone To Watch Over Me (4/28) — **Columbia**
MPAA Rating: R Running Time: 106 mins.
Cast: Tom Berenger, Mimi Rogers, Lorraine Bracco.

Stakeout (4/14) — **Touchstone**
MPAA Rating: R Running Time: 118 mins.
Cast: Richard Dreyfuss, Emilio Estevez, Madeleine Stone.

Steel Dawn (4/2) — **Vestron**
MPAA Rating: R Running Time: 101 mins.
Cast: Patrick Swayze.

Three O'Clock High (4/7) — **Universal**
MPAA Rating: PG-13 Running Time: 90 mins.
Cast: Casey Siemaszko, Anne Ryan, Richard Tyson.

Weeds (4/16) — **HBO Enterprises**
MPAA Rating: R Running Time: 118 mins.
Cast: Nick Nolte, Lane Smith, Rita Taggart.

Zombie High (4/24) — **Sage Entertainment**
MPAA Rating: R Running Time: 91 mins.
Cast: Virginia Madsen, Richard Cox, James Wilder.

May — Source

Adventures in Babysitting (5/12) — **Touchstone**
MPAA Rating: PG13 Running Time: 99 06 mins.
Cast: Elisabeth Shue, Keith Coogan, Anthony Rapp.

Date With An Angel (5/20) — **HBO Enterprises**
MPAA Rating: PG Running Time: 105 mins.
Cast: Michael Knight, Phoebe Cates, Emmanuel Beart.

Fatal Beauty (5/20) — **MGM/UA**
MPAA Rating: R Running Time: 104 mins.
Cast: Whoopi Goldberg, Sam Elliot, Ruben Blades.

Flowers In The Attic (5/16) — **HBO Enterprises**
MPAA Rating: PG13 Running Time: 95 mins.
Cast: Victoria Tennant, Kristy Swanson, Louise Fletcher.

Hamburger Hill (5/1) — **Paramount**
MPAA Rating: R Running Time: 109 mins.
Cast: Anthony Barrile, Michael Patrick Boltman, Don Cheadle.

Heart (5/1) — **HBO Enterprises**
MPAA Rating: R Running Time: 90 mins.
Cast: Brad Davis, Jesse Doran, Francis Fisher.

Hearts of Fire (5/19) — **Lorimar**
MPAA Rating: R Running Time: 96 mins.
Cast: Bob Dylan, Fiona, Rupert Everett.

Hiding Out (5/6) — **HBO Enterprises**
MPAA Rating: PG13 Running Time: 145 mins.
Cast: Jon Cryer, Annabeth Gish.

Hotel Colonial (5/18) — **HBO Enterprises**
MPAA Rating: R Running Time: 104 mins.
Cast: Robert Duvall, John Savage, Racheal Ward.

Less Than Zero (5/5) — **20th Century-Fox**
MPAA Rating: R Running Time: 100 mins.
Cast: Andrew McCarthy, Jami Gurtz, Robert Downey Jr.

My Life As A Dog (5/1) — **Skouras**
MPAA Rating: Unrated Running Time: 101 mins.
Cast: Anton Glanzelicis.

Return of the Living Dead Part II (5/26) — **Lorimar**
MPAA Rating: R Running Time: 89 mins.
Cast: James Karen, Thom Mathews, Dana Ashbrook.

Sicilian (5/5) — **20th Century-Fox**
MPAA Rating: R Running Time: 115 mins.
Cast: Christopher Lambert, Terrence Stamp, Barbara Sukowa.

Transmutations (5/13) — **Vestron**
MPAA Rating: R Running Time: 103 mins.
Cast: Denholm Elliot, Stephen Berkoff.

The UnTouchables (5/19) — **Paramount**
MPAA Rating: R Running Time: 119 mins.
Cast: Kevin Costner, Robert DeNiro, Sean Connery.

Women's Club (5/13) — **Vestron**
MPAA Rating: R Running Time: 90 mins.
Cast: Michael Pare, Maude Adams, Eddie Velez.

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events. 24 hours per day, approx. 50 titles per month	Available in systems serving 1,000,000 addressable subscribers)
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	First-run movies, special events.	Available in systems serving 1,000,000 addressable subscribers)
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	Available in systems serving 1,000,000 addressable subscribers
Request Television	November 27, 1985	Galaxy I, tr. 12	VideoCipher II	Min. of four major motion pictures per week over 14 day cycle, special events	Available in systems serving 3.6 million subs. (2.5 million addressable).
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Channels I & II: First-run movies, special events	Available in systems serving over 3 million subs.
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: 2 movies per week, the newest and top-selling. Channel 2: Cult favorites, and top of the charts video store sellers. Channel 3: Additional plays of movies on 1 & 2 (frequency channel).	Available in systems serving 160,000 subs.(60,000 addressable).

ADVERTISING

Local sales surge as CAB unleases persuasive new data

Case is made that cable can make up for underdelivery in broadcast network buys

By Wayne Friedman

Persuading national television advertisers to increase their spending on cable hasn't been a easy task. There still are those unappetizing one and two ratings points which have helped keep cable shares of total national broadcast dollars at between 2 percent and 10 percent. Now, on the eve of its annual convention, the Cabletelevision Advertising Bureau is unleashing data to further dismiss objections to boosting ad dollars in cable. While cable networks already have attempted to use this data, some are using tools from the old days—the environment pitch—to lure advertisers.

Rethinking cable's share of TV ad dollars

High level
All broadcast schedule = 400 GRPs
Percent HH reach in four weeks

Percent of TV ad budget allocated to cable

	0%	5%	10%	15%	20%	25%	35%	45%	55%	65%
Total U.S. HH										
Total Reach	84.9	85.5	85.5	85.9	86.0	85.5	83.8	81.4	78.3	74.2
Eff. Reach	56.0	56.6	56.9	57.6	58.1	57.9	57.1	55.4	53.3	50.5
Medium level **All broadcast schedule = 300 GRPs**										
Total U.S. HH										
Total Reach	80.0	80.0	80.5	80.8	80.1	80.0	78.2	75.9	73.6	69.1
Eff. Reach	45.8	45.9	46.6	47.2	47.1	47.4	47.1	46.3	45.5	43.1
Low level **All broadcast schedule = 200 GRPs**										
Total U.S. HH										
Total Reach	69.7	70.1	70.7	70.3	69.8	70.1	70.1	67.9	64.7	62.6
Eff. Reach	31.0	31.3	32.0	32.3	32.6	33.2	34.1	34.3	33.6	33.5

Note: Eff. Reach defined as HHs reached with 3 + frequency. Ratio of cable/household CPM = .70
Source: CAMEO. Market Science Associates
Color blocks indicate "Comfort zone"

The new information by the CAB hopes to ease a long-held fear among national broadcast advertisers, that a bigger share of broadcast budgets devoted to cable diminishes the reach of total television households. Based on research by ad agency DDB Needham, CAB extracted numbers for its own study, called Television Optimix, showing that an advertiser could spend up to 25 percent of budget on cable and not lose overall household reach (see chart).

Other numbers: CAB also claims the cost per gross rating point has climbed 54 percent over the course of the last five broadcast seasons. Thus, the same advertising dollars spent this season as in the '82 to '83 year results in 35 percent fewer gross ratings points. The remedy: Lifting cable advertising shares up to 25 percent would make the advertiser whole again.

"If you were to spend a $1 million in broadcast, and took out $50,000 for cable, people were worried you would lose all that reach," says Bart McHugh, senior vice president and director of national radio/television programming for DDB Needham. "But guess what. You don't lose all that reach. Instead, you substantially increase your frequency and efficiency."

While some ad agency heads like McHugh generally support this kind of research, it has been a tough sell to advertisers. Ad agency professionals say few of their clients really want to delve into these numbers because they want more readily tangible elements. Not only does that include bigger network ratings, but also buying the image of *The Cosby Show* or a Super Bowl, something which cable—except for the NFL—cannot provide.

Even CAB President Bob Alter admits this new data on reach isn't enough to stir traditional broadcast national advertisers into buying more cable television time. "There is no one panacea for driving up advertiser budgets. Brick by brick we have to build up a case," says Alter.

Some of the bricks already in place include a CAB computerization system for evaluating actual broadcast schedules. It can analyze how that schedule performs in cable and non-cable households, and then can evaluate the value of cable households for a particular advertiser in terms of consumption. Then it makes recommendations as to what percent of the budget should go to cable to correct that underdelivery. All this is put on floppy disk for easy computer use for advertisers. "This adds up to a level of sophistication, in terms of the data that cable has to work with, that has risen dramatically," says Alter.

This plethora of numbers doesn't necessarily mean cable networks will be selling that way in the future. "The trend in now back to the environment,"

> 'The trend in now back to the environment. The new is the old.'
>
> —Doug Greenlaw
> MTV Networks

See **Ads**, *page 44*

Ads, *from page 42*

says Doug Greenlaw, senior vice president of MTV Networks. "The new is the old."

Because of the inconsistencies with people meters numbers, cable might be forced to work off of the environment pitch more than ever before. This is especially true with kids and youth programming, says Greenlaw. "We are sticking to our guns with our environment pitch. Every agency understands, as Nielsen does, the weakness of the people meters."he says.

Top 10 1987 cable network advertisers

Company	1987 amount	Percent change from 1986
1. Procter & Gamble	$23,713,272	-20.3
2. Anheuser-Busch	22,943,379	+17.7
3. Philip Morris	20,581,730	-7.2
4. General Mills	18,580,934	+19.6
5. Time, Inc.	16,411,682	+2.3
6. Mars, Inc.	14,876,662	-15.8
7. RJR Nabisco	14,688,479	+40.5
8. Coca Cola	9,796,911	+59.8
9. Thompson Medical Co.	8,373,684	+360.2
10. General Motors Corp.	7,967,826	+10.6

Source: Arbitron

While computerization may be helping the cable industry coordinate its post-buy analysis, there still are many problems in buying cable. Many executives still complain that buying enough of cable's two and three ratings mean more work and more phone calls. "(Considering) the difficulty in buying and managing cable with the easiness of buying another 30 for $125,000 in *St. Elsewhere*, why hassle with cable. Whereas with a $125,000, you can buy a week's worth of cable on 10 cable networks."

Still, there are some advertisers that are spending more than 20 percent of budget on cable. Gillette is one, says the CAB. This is in spite of the extra work involved in the buy. "There is some assembly required," McCormick wryly notes.

You can never get too much of a good thing. And for cable operators the NFL on ESPN proved to do just that.

Although cable ad sales already had been rising, football quickened the pace, to the delight of cable operators. Along with increased awareness of how to sell cable to local advertisers, the NFL helped kick up local sales by 38 percent in 1987 over 1986. Local ad sales for cable came in at $264 million in 1987, according to Ron Fischmann, CAB's vice president of local sales. He thinks that may climb to $400 million for 1988.

Fischmann believes are there four reasons for this success: 1) The higher professionalism of cable operator sales forces. 2) Ad agency acceptance at the local level. 3) Reaching 50 percent penetration. 4) The cost efficiency.

While he says the NFL was important, these other factors aided local cable advertiser sales even more. Also noted in this rise is that unsold avails now are being used to promote cable programming, thus increasing the effectiveness of advertiser spots.

Local spots for the NFL represented a wide range in prices. Terry Gray, director of ad sales for Colony Communications, says he seen unit prices from $15 a thirty to $1,500, depending on the size of the system. "Some of the small markets didn't realize what they had possession of," he says. Because no one knew what to expect, prices confused some people in the business.

While Gray wouldn't reveal actual revenue, he did say 1987's local revenue grew 28 percent over the year before; he attributes 5 percent to 6 percent of that growth to the NFL. Colony realized local ad sale growth in the low teens percentage in '86 versus the '85 season.

There is even better news elsewhere. Centel Cable President Dave Bohmer says local cable sales doubled in '87, registering $2.6 million. Bohmer wouldn't attribute the entire increase to the football broadcasts, but he did say it brought in new advertisers. He also said Centel's new character-generated classified ad system also was a big boom to its ad sales efforts.

The NFL also seems to be showing some residual side effects. Gray says Colony's first quarter local sales is significantly higher that it was this time last year. Many advertisers that were first-time buyers of the NFL came back to buy again. CAB's Fischmann concurs that some operators are seeing 40 to 90 percent increases during the first quarter of 1988. He says that where local cable advertisers had cherry picked when they would run spots, advertisers now are booking whole months and quarters at a time. Since most local advertisers are retailers—car dealers and department stores—they tend to significantly increase advertising during holidays such as Washington's Birthday and Memorial Day. Still, says Gray, the NFL "is not the panacea of cable ad sales, but it has been a tremendous benefit to ad sales and the cable industry as a medium." ■

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>
> —Bob Alter,
> CAB president

CABLE STATS

Satellite Lineup

Satcom III-R (RCA Americom)	**Transponder**
Arts & Entertainment	24
BET	20
Cable Radio Network	4
Cinemax (West)	23
ESPN (Blackout)	7
The Fashion Channel	1
Financial News Network	4
Genesis Storytime	3
HBO (West)	13
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
National Jewish Television	18
QVC Network	8
Reuter Monitor Service	18
Showtime (West)	10
Tempo Sound	6
Tempo Television	6
Tempo Text	6
The Travel Channel	16
Trinity Broadcasting Network	3
TV Decisions	24
USA Network (West)	10

Satcom IV (RCA Americom)	**Transponder**
Alternate View Network	10
American Movie Classics	10
America's Value Network	5
Biznet	6
Bravo	2
Gospel Music Network	3
Hit Video USA	18
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Liberty Broadcasting Network	7
Madison Square Garden Network	6
The Motivation Network	3
Movietime	17
National Black Network	19
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	24
Playboy On Demand	24
Prime Ticket	20
The Silent Network	23V
SportsChannel-New England	23
SportsVision	9
WPIX—New York	19

Satcom F1R (RCA Americom)	**Transponder**
KTVT (Dallas/Ft.Worth)	22

Westar III (Western Union)	**Transponder**
CNN	5

Westar IV (Western Union)	**Transponder**
Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
Consumer Discount Network	24
National Christian Network	2
International Television Network	10D
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2

Westar V (Western Union)	**Transponder**
Moody Broadcasting Network	7D
Pro-Am Sports System (PASS)	8
The University Network	2
Zephyr Weather Information Service	7D

Telstar 303 (AT&T)	**Transponder**
American Exxxtasy	19

Galaxy I (Hughes)	**Transponder**
CBN Cable Network	11
Cinemax (East)	19
CNN	7
Country Music Television	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
Electra	18
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Headline News	8
The Inspirational Network	17
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
Request Television	12
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
SIN	6
Tempo Text	18
USA Network (East, Central)	21
Video Mall Network	22
WGN	3
WOR-TV	15
WTBS	18

Galaxy III	**Transponder**
Cable Value Network	9
Cable Video Store	5
C-SPAN	24V
C-SPAN II	14V
Eternal Word Television Network	10
Galactic Radio	11
Home Premiere Television	16
Lifetime	20
The Meadowlands Racing Network	17
Mind Extension University	11
MTV Music Television	17
Nick At Night	19
Nickelodeon	19
Video Hits One (VH1)	15
Viewer's Choice 1+2	21,18
The Weather Channel	13

Spacenet I (GTE)	**Transponder**
ACTS	15

Spacenet II (GTE)	**Transponder**
Select TV	13
Zap! Movies	9

Note: A company name in parentheses following a service or network designates the transponder owner. Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,200,000	(12/87)
2.	American Television and Communications Corp.	3,695,000	(12/87)
3.	Continental Cablevision	2,169,000	(2/88)
4.	Storer Cable Communications	1,453,000	(12/87)
5.	Cox Cable Communications	1,438,057	(12/87)
6.	Warner Cable Communications Inc.	1,405,349	(12/87)
7.	Comcast	1,342,500	(1/88)
8.	United Cable	1,179,336	(2/88)
9.	Newhouse Broadcasting	1,060,759	(12/87)
10.	Viacom Cablevision	1,068,436	(2/88)
11.	Cablevision Systems Corp.	1,035,429	(2/88)
12.	Heritage Communications Inc.	1,026,224	(12/87)
13.	Jones Intercable	956,141	(3/88)
14.	Times Mirror Cable Television Inc.	918,480	(12/87)
15.	Sammons Communications Inc.	827,652	(2/88)
16.	UA Cablesystems Corp.	803,615	(2/88)
17.	Century Communications Corp.	680,400	(3/87)
18.	Paragon Communications	665,000	(1/88)
19.	Cooke Cablevision	618,042	(3/88)
20.	Adelphia Communications	594,315	(3/88)
21	Cablevision Industries	593,333	(2/88)
22.	Daniels & Associates	590,618	(12/87)
23.	Telecable Corp.	533,256	(12/87)
24.	Rogers Cablesystems Inc.	529,708	(12/87)
25.	Centel Cable	524,859	(1/88)
26.	Scripps-Howard	430,990	(12/87)
27.	Wometco Cable TV Inc.	395,679	(12/87)
28.	Post-Newsweek	385,442	(1/88)
29.	Prime Cable Corp.	353,362	(12/87)
30.	Falcon Cable TV	343,000	(2/88)
31.	TCA Group	337,999	(1/88)
32.	Multimedia Cablevision	304,610	(1/88)
33.	Maclean Hunter Cable TV Ltd.	296,969	(11/87)
34.	Tele-Media	291,227	(1/88)
35.	Lenfest Group	266,370	(1/88)
36.	Rifkin & Associates	260,000	(10/87)
37.	Colony Communications Inc.	250,786	(1/88)
38.	Western Communications	250,019	(3/88)
39.	TKR Cable Co.	236,042	(1/88)
40.	Simmons Communications	226,861	(2/88)
41.	Cencom Cable	212,793	(2/88)
42.	Communications Service Inc.	210,000	(12/86)
43.	Service Electric Cable TV Inc.	205,000	(11/87)
44.	Hauser Communications Inc.	196,000	(2/88)
45.	Taft Cablepartners	194,463	(1/88)
46.	Media General Inc.	163,000	(2/88)
47.	Harron Communications	158,982	(1/88)
48.	Greater Media	154,305	(12/87)
49.	Sutton Capital Corp.	152,053	(11/87)
50.	Palmer Communications	151,221	(2/88)
51.	Armstrong Utilities	143,807	(2/88)
52.	Essex Communications Corp.	136,540	(11/87)
53.	U.S. Cable Corp.	135,287	(11/87)
54.	Summit Communications	124,900	(1/88)
55.	Cable Systems USA	123,826	(12/87)
56.	Columbia International	117,911	(1/88)
57.	Bresnan Communications Co.	115,018	(2/88)
58.	King Videocable	114,100	(1/88)
59.	Northland Communications	114,025	(12/87)
60.	Harte-Hanks Communications	113,344	(12/87)
61.	Sonic Communications	111,585	(8/87)
62.	Multi-Channel TV Cable Inc.	110,134	(9/87)
63.	Booth Communications	108,617	(1/88)
64.	Star Cablevision Group	103,733	(11/87)
65.	M.L. Media Partners	99,556	(12/87)
66.	Susquehanna Broadcasting	94,168	(12/87)
67.	Midcontinent Cable Systems Co.	90,863	(2/88)
68.	McDonald Group	90,079	(8/84)
69.	Omega Communications	90,000	(11/87)
70.	WEHCO Video	89,078	(12/87)
71.	United Video Management	86,341	(12/87)
72.	Pencor Services	85,264	(1/88)
73.	Coaxial Communications	84,859	(9/87)
74.	Enstar Communications	69,155	(2/88)
75.	Masada Corp.	69,120	(10/87)
76.	Selkirk Communications	68,000	(10/87)
77.	Rock Associates	67,215	(1/88)
78.	Chambers Communications Corp.	61,471	(12/87)
79.	Mountain Cable Co.	59,746	(1/88)
80.	Insight Communications	58,964	(1/88)
81.	Cardinal Communications	56,500	(1/88)
82.	North American Comm. Corp.	54,606	(12/87)
83.	Hearst Communications of California	53,866	(1/88)
84.	State Cable TV	51,490	(12/87)
85.	Helicon Corp.	50,000	(12/87)
86.	Dowden Communications	49,942	(2/88)
87.	Bachow and Elkin Communications	48,459	(2/88)
88.	Commonwealth Cable Systems	48,020	(11/87)
89.	Galaxy Cablevision	47,232	(1/88)
90.	Joseph Gans Cable TV	46,532	(11/86)
91.	Prestige Cable TV, Inc.	46,336	(2/88)
92.	New England Cablevision	45,947	(1/88)
93.	CableAmerica	44,000	(1/88)
94.	Leonard Communications	44,000	(2/88)
95.	Telesat Cablevision, Inc.	43,601	(12/88)
96.	Douglas Communications	43,597	(1/88)
97.	CableSouth, Inc.	40,600	(2/88)
98.	Acton Corp.	36,500	(10/87)
99.	Countryside Cable	35,000	(2/88)
100.	Harmon Cable Communications	29,202	(3/88)

Subscriber counts are provided by MSOs and systems to *CableVision* Magazine Inc. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1109, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	294,244	(2/88)
2.	San Diego, CA	Cox Cable	291,914	(12/87)
3.	Manhattan, NY	ATC	242,000	(12/87)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	Puget Sound, WA	Viacom	199,800	(3/88)
6.	East Orange, NJ	Maclean Hunter	195,644	(11/87)
7.	Portland, OR	Rogers	187,442	(2/88)
8.	Honolulu, HI	ATC	187,000	(12/87)
9.	Houston, TX	Warner Cable	185,700	(3/88)
10	Phoenix, AZ	Times Mirror	184,921	(12/87)
11.	Hartford/Plainville/Vernon, CT	United Cable	170,955	(2/88)
12.	Chicago (suburbs)	Tele-Communications Inc.	163,000	(12/87)
13.	Wayne, NJ	UA Cablesystems	162,270	(2/88)
14.	Louisville/Jeff. Co., KY	Storer Communications	158,544	(12/87)
15.	Cincinnati, OH	Warner	157,332	(12/87)
16.	Englewood, CO	United	156,911	(2/88)
17.	Rochester, NY	ATC	154,000	(12/87)
18.	Hampton Roads, VA	Cox Cable	153,820	(12/87)
19.	Fairfax, VA	Media General	152,000	(2/88)
20.	Jacksonville, FL	Continental Cablevision	152,000	(2/88)
21.	Tulsa, OK	United	151,239	(2/88)
22.	Atlanta, GA	Prime Cable Corp.	149,697	(12/87)
23.	Cherry Hills, NJ	NYT	145,075	(7/87)
24.	Orlando,FL	ATC	143,500	(6/87)
25.	Kansas City, MO	ATC	137,000	(12/87)
26.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
27.	Manhattan, NY	Paragon Cable	132,000	(1/88)
28.	San Jose/Campbell, CA	Gill Cable	131,600	(1/88)
29.	Baltimore County, MD	Comcast	130,000	(10/87)
30.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
31.	Charlotte, NC	ATC	125,000	(12/87)
32.	St. Louis Co., MO	Cencom Cable	124,979	(2/88)
33.	Long Island, NY	Viacom	120,700	(3/88)
34.	San Francisco, CA	Viacom	119,300	(3/88)
35.	San Diego, CA	ATC	119,000	(12/87)
36.	Austin, TX	ATC	115,000	(12/87)
37.	Pompano, FL	Continenial	112,567	(12/87)
38.	Seattle, WA	TCI	112,500	(12/87)
39.	Warren, NJ	TKR	109,854	(2/88)
40.	Richmond, VA	Continental	109,000	(2/88)
41.	Toledo, OH	Blade Communications	105,470	(10/87)
42.	San Juan, PR	ML Media Partners	104,757	(12/86)
43.	Jefferson Parish/Kenner, LA	Cox Cable	100,879	(12/87)
44.	Grand Rapids, MI	UA Cablesystems	100,728	(2/88)
45.	Dallas, TX	Heritage	100,355	(12/87)
46.	Southeast Michigan	Comcast	100,031	(10/87)
47.	Wilmington, DE	Heritage	99,150	(12/87)
48.	Escondido, CA	Times Mirror	95,374	(12/87)
49.	Raleigh/Durham, N.C	ATC	95,000	(12/87)
50.	Tacoma, WA	Viacom	94,200	(3/88)
51.	Dade/Broward, FL	Storer	94,173	(12/87)
52.	Pinellas County, FL	Vision Cable	93,920	(9/87)
53.	Indianapolis, IN	Comcast	92,000	(10/87)
54.	Pittsburgh, PA	TCI	91,000	(12/87)
55.	Naples, FL	Palmer Communications	90,000	(2/88)
56.	Boston, MA	Cablevision Co.	89,685	(2/88)
57.	Nashville, TN	Viacom	88,400	(3/88)
58.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
59.	Worcester Complex, MA	Greater Media	85,083	(12/87)
60.	Greensboro, NC	ATC	84,000	(12/87)
61.	Orange County, CA	Times Mirror	83,504	(12/87)
62.	Harrisburg, PA	Sammons Communications	82,179	(2/88)
63.	Las Vegas, NV	Prime Cable	81,204	(12/87)
64.	South Texas, TX	Heritage	80,604	(12/87)
65.	Dover, Morristown, NJ	Sammons	80,209	(2/88)
66.	Milwaukee, WI	Warner	80,000	(9/87)
67.	New Orleans, LA	Cox Cable	78,942	(12/87)
68.	Baton Rouge, LA	Daniels & Assocs.	78,888	(12/87)
69.	Oakland County, MI	United	78,559	(2/88)
70.	South Bend, IN	Heritage	77,963	(12/87)
71.	Cook County, IL	Continental	77,800	(2/88)
72.	Albuquerque, NM	Jones Intercable	77,300	(2/88)
73.	Akron, OH	Warner	77,202	(12/87)
74.	Indianapolis,IN	ATC	77,000	(12/87)
75.	Columbus, OH	Warner	75,774	(12/87)
76.	Cleveland Heights, OH	Viacom	75,200	(3/88)
77.	Allentown, PA	Service Electric	75,000	(9/87)
78.	Flint, MI	Comcast	75,000	(10/87)
79.	Hillsborough, FL	Paragon	75,000	(1/88)
80.	St. Petersburg, FL	Paragon	75,000	(1/88)
81.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
82.	Medford Complex (Boston Suburbs), MA	Warner	74,043	(12/87)
83.	Providence/Warwick, RI	Times Mirror	73,415	(12/87)
84.	Omaha, NE	Cox Cable	72,825	(12/87)
85.	Ocean County, NJ	Adelphia	72,355	(3/88)
86.	Contra Costa Co. CA	Televents	72,252	(10/87)
87.	Fayetteville, NC	ATC	72,000	(12/87)
88.	Lower Fairfield Co., CT	Cablevision Co.	71,168	(12/87)
89.	El Paso, TX	Paragon	71,000	(1/88)
90.	Oklahoma City, OK	Cox Cable	70,366	(12/87)
91.	Tucson, AZ	Cooke Cablevision	70,203	(3/88)
92.	Santa Monica, CA	Century	69,900	(12/86)
93.	Des Moines, IA	Heritage	69,721	(12/87)
94.	Little Rock, AR	Storer	69,121	(12/87)
95.	Lincoln, RI	Heritage	68,608	(12/87)
96.	Greater Bridgeport, CT	Cablevision Co.	68,506	(12/87)
97.	Madison, WI	TCI	68,000	(12/87)
98.	New Haven, CT	Storer	67,363	(12/87)
99.	Birmingham, AL	ATC	67,000	(12/87)
100.	Syracuse (suburbs), NY	NewChannels Corp.	66,952	(12/87)

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4/25/88

CableVision

APRIL 25, 1988

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

UNITED: TAPES 'R US

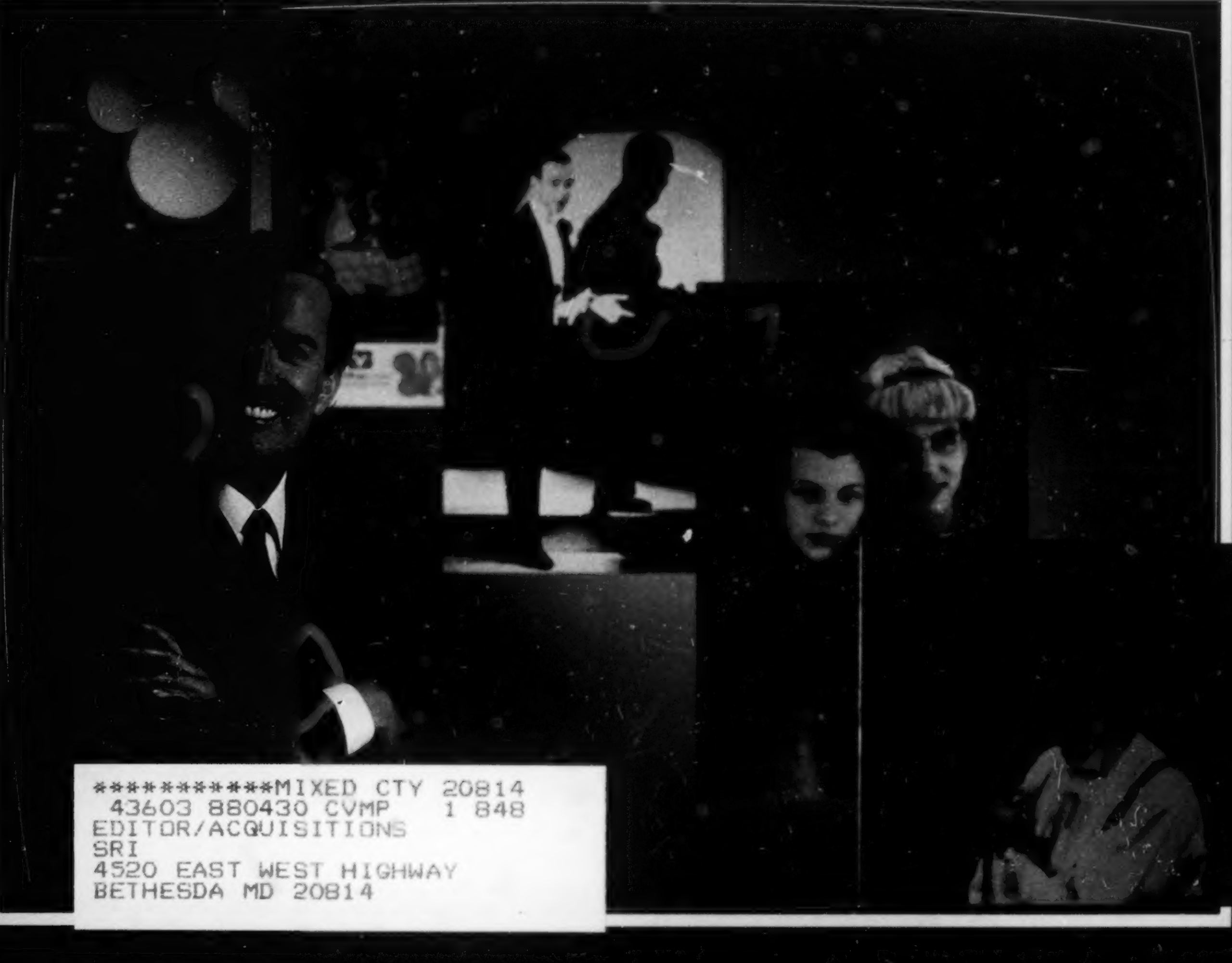
GTE WINS CERRITOS APPROVAL

STEAMING AHEAD IN SEATTLE

'THE CRASH NEVER HAPPENED'

REVISITING FORTNIGHTLY

DARING-DO AT DISNEY: COOKE'S AMBITIOUS STRATEGY



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CableVision

FRONT LINE

An upbeat CAB 12

Standing room only crowds gathered last week in New York for the Cabletelevision Advertising Bureau convention, where executive were urged to build on the industry's advertising momentum.

Cerritos gets a go-ahead 16

In a decision decried by the National Cable Television Association, the Federal Communications Commission approves a novel test by GTE of voice, video and data over a cable system it will help finance.

NAB struts its stuff 20

Amid frenzied back-patting, the National Association of Broadcasters holds its annual convention in Las Vegas to recount legislative victories and to plot strategy for the coming of high-definition television. From its vantage point, the business looks good.

The politics of TV 20

The hordes of congressmen attending the NAB show are sympathetic to broadcasters, but make clear they aren't willing to advance the NAB legislative agenda until the fairness doctrine dispute is resolved.

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NCTA SHOW ADVANCE

Looking at L.A. 46

Blue sky abounded the last time the NCTA convention was held on the Left Coast, with hype and glitz the order of the day. On the eve of cable's return to Los Angeles, we look back at those times and ahead to what's in store.

FORUM

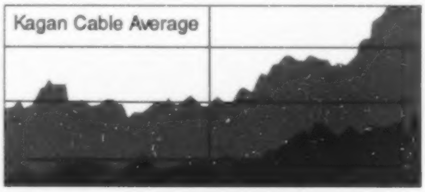
Fortnightly revisited 50

There are few examples of seminal events shaping the course of an entire industry that compare with the Fortnightly case. Graybeards will remember cable's dark days preceding the case and relish the stunning Supreme Court victory allowing retransmission of broadcast signals. For the young Turks running the business nowadays, it's a 20-year-old case worth reviewing. Washington attorney Jack Cole recreates the drama.

SYSTEM PROFILE

Steaming ahead in Seattle 54

Sticking to your knitting is advice that often bears fruit, and for Viacom and TCI, doing the fundamental things well is paying off with markedly higher penetration figures and an elevated standing in the community.



BUSINESS AND FINANCE

'The crash never happened' 60

While other sectors of the economy still are struggling to recover from the stock market crash, cable shrugged off the disaster with ease. System prices continue to advance and the bullish fervor is leading executives to contemplate some bold moves.

United: Tapes 'R Us 66

United Cable Television leaps into home video in a $12.25 million deal with Blockbuster Video in which the MSO will open 100 tape rental stores.

Disney Channel President John Cooke

COVER STORY

The daring of Disney 24

Interview 28

Five years ago it launched as a boutique network, heavy on classic cartoons and appealing to a narrow audience. Today the Disney Channel is repositioning itself for broader appeal, committed to an ambitious foray into original productions, including a deal with NBC. It's no longer a Mickey Mouse network.

BETWEEN THE LINES

White papers and slogans won't protect broadcasting

For the better part of what could be called the modern age of television, John Summers worked to represent the interests of commercial broadcasters in Washington, rising in the ranks of the National Association of Broadcasters to become its No. 2 executive before going off recently to a well-deserved retirement. Perhaps the last of his many achievements during a 20-year career at NAB was holding together a strife-torn coalition of broadcast interests so that the post-*Quincy* must-carry compromise could be worked out.

He was and is a consummate political operative, a term not meant derogatively, learning his trade under Vince Wasilewski, NAB's legendary president, and then as tutor to Eddie Fritts after he stormed out of Mississippi to take over the association.

But now Summers is being called out of retirement by NAB to author a white paper which, Fritts says, compares American broadcasting with that in other countries and concludes that "ours is a national resource worth protecting and preserving."

Perhaps this simply is excessive hyperbole by Fritts. More likely it is another example of the NAB's myopic view as described by Rep. John Bryant, D-Tex., who is urging broadcasters to "get off that ideological binge."

Commercial broadcasting is hardly a doddering relic. It remains a hugely profitable industry commanding the lion's share of viewing. It certainly is not the Grand Canyon, a true national resource worth protecting and preserving.

Apparently to buttress the recommendations of Summer's white paper, the NAB is considering an aggressive marketing effort aimed at impressing Congress of the need to protect broadcasting and advancing the concept of free, over-the-air television. Perhaps it would even come with a catchy jingle, such as "Free TV for You and Me."

Let's not kid ourselves. What the NAB hopes to protect and preserve is its competitive posture *vis a vis* other television delivery systems, notably cable. And if, along the way, such efforts stave off the threat of spectrum fees and other tax initiatives, so much the better.

It is doubtful that Congress will buy any of this. That body is equipped with 20/20 vision when it comes to spotting attempts by entrenched interests hoping to gain a regulatory leg up on the competition. The one broadcasting issue that is squarely in Congress' eyesight now is the fairness doctrine, and no amount of white papers or glitzy marketing efforts can tap dance around that.

The National Cable Television Association, by contrast, is regarded as a more straight forward organization that makes no bones about its mission, which is to protect and advance the business interests of the industry. It's not known for wrapping itself in the flag or setting out on missions to protect national treasures.

When it spots a competitive threat it leaps into the fray, fangs bared. An example of this is the NCTA's tirade against the decision by the Federal Communications Commission to allow GTE to begin a testbed in Cerritos, Calif., of voice, video and data services over a cable system it will help finance.

Let's not kid ourselves here, either. The NCTA's attack on the FCC's "preposterous" Cerritos decision is simply another entrenched interest fighting to maintain its regulatory advantage, in this case the cable/telephone cross-ownership rules. But somehow NCTA's *modus operandi* seems more palatable. At least you know where it's coming from.

—Steve Tuttle
Editor and Associate Publisher

CableVision

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April 25, 1988
Volume 12, Number 42

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. April 25, 1988, Volume 12, Number 42. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

What's on the Pays/May

Cinemax

New Movies

Title	MPAA Rating	Distributor
An Officer and a Gentleman	R	Paramount
Beginner's Luck*	R	New World
The Boss's Wife*	R	Tri-Star
Brighton Beach Memoirs	PG13	Universal
Buffalo Bill	NR	20th Century-Fox
Bullies	R	Universal
Bus Stop	NR	20th Century-Fox
Caged Heat	R	Viacom
Call of the Wild (B&W)	NR	20th Century-Fox
Captain Pirate*	NR	Columbia
The Color Purple*	PG13	Warner Bros.
The Collector*	NR	Columbia
The Concrete Jungle	R	Lorimar-Tele.
Creepshow 2*	R	New World
Death Before Dishonor*	R	New World
Deliverance	R	Warner Bros.
Demon of Paradise	R	Concorde
Desk Set	NR	20th Century-Fox
First Comes Courage*(B&W)	NR	Columbia
The First Nudie Musical	R	A.Greenfield
The Fly	NR	20th Century-Fox
Getting Physical	NR	Tri-Star
Girl Happy	NR	MGM/UA
Hard Ticket To Hawaii	R	Lorimar-Tele.
Harum Scarum	NR	MGM/UA
Heaven Can Wait	NR	20th Century-Fox
Homicidal*(B&W)	NR	Columbia
Knightriders	R	Hal Roach
The Lady in Question*(B&W)	NR	Columbia
Laura (B&W)	NR	20th Century-Fox
Lifeboat (B&W)	NR	20th Century-Fox
Love Me Tender	NR	20th Century-Fox
Lovesick	PG	Warner Bros.
The Man From Snowy River	PG	20th Century-Fox
Memories Never Die	NR	Universal
My Friend Flicka	NR	20th Century-Fox
A New Leaf	G	Paramount
Oh, Men! Oh, Women!	NR	20th Century-Fox
The Ox-Bow Incident (B&W)	NR	20th Century-Fox
The Proud Ones	NR	20th Century-Fox
Rebel	R	Vestron
The Return of the Fly (B&W)	NR	20th Century-Fox
Reveille With Beverly*	NR	Columbia
River's Edge*	R	Hemdale
Scene of the Crime	NR	Kino
Slammer Girls	R	Vestron
Song Without End*	NR	Columbia
Sons and Lovers (B&W)	NR	20th Century-Fox
Sorority House Massacre	R	Concorde
Speedway	G	MGM/UA
Space Rage	R	Vestron
Tarawa Beachhead* (B&W)	NR	Columbia
The Train Robbers	PG	Warner Bros.
Vendetta	R	Warner Bros.
A Villa in the Country	NR	Pandora
What's Up Doc?	G	Warner Bros.
Will Success Spoil Rock Hunter?	NR	20th Century-Fox

Original Programming/Specials

Cinemax Comedy Experiment:
Merrill Markoe's Guide to Glamourous Living

Highlights

Amazing Grace and Chuck	PG	Tri-Star
Burglar**	R	Warner Bros.
Ishtar	PG13	Columbia
Cinemax Comedy Experiment: Merrill Markoe's Guide to Glamourous Living		

Burglar

The Disney Channel

New Movies

The Aviator	PG	MGM/UA
Call Me Mister	NR	20th Century-Fox
Drums Along the Mohawk	NR	20th Century-Fox
Fluteman*	NR	Kodiak
Grand Baby*	NR	Rainbow TV Works
The Grapes of Wrath	NR	20th Century-Fox
Heathcliff: The Movie*	G	Clubhouse
Hey There, It's Yogi Bear*	G	Clubhouse
Jupiter's Darling	NR	MGM/UA
The Man From Snowy River	PG	20th Century-Fox
Miracle At Moreaux*	NR	Wonderworks
Mr. Rossi's Vacation*	NR	Italtoons
My Blue Heaven	NR	20th Century-Fox
My Darling Clementine	NR	20th Century-Fox
Peter and the Wolf and Other Tales	NR	LBS Communications
Ride a Northbound Horse*	G	Disney
A Shining Season	NR	Tri-Star Ent.
Something For the Birds	NR	20th Century-Fox
A Special Kind of Love	NR	Viacom
The Story of Alexander Graham Bell	NR	20th Century-Fox
The Ugly Dachshund*	NR	Disney
Young Mr. Lincoln	NR	20th Century-Fox

Original Programming/Specials

Henry Fonda: The Man and His Movies
Pontoffel Pock*
Rupert and the Frog Song*
The Swan Lake Story

Lady and the Tramp

Highlights

Lady and the Tramp*	Disney
Kaleidoscope Concert: Larry Groce*	Disney
Bud Greenspan's	Cappy Productions
Summer Olympic Greats*	
The First Olympics-Athens, 1986*	
Tri-Star Entertainment	
Everest: The Australian Challenge*	
Hal Roach	
Swiss Family Robinson*	20th Century-Fox
Big Bird in China*	
Children's Television Workshop	
Monkey's Go Home*	Disney
The Mind's Eye: The Experience of Living*	
Let the Balloon Go*	
Interplanetary Pictures	

Home Box Office

New Movies

The Adventures of Tom Sawyer*	NR	Nippon
Clinton and Nadine	NR	ITC Enter
Deadly Friend*	R	Warner Bros.
Eat and Run*	R	New World
Extreme Prejudice*	R	Tri-Star
'Gentle Giants of the Pacific'*	NR	Itel
Gospel According to Vic	PG13	Skouras
Hour of the Assassin	R	MGM/UA
Let's Get Hairy*	R	Tri-Star
Light of Day*	PG13	Taft/Barish
Malcolm	PG13	Vestron
Million Dollar Mystery	PG	De Laurentiis
The Mission*	PG	Warner Bros.
Moonlight	NR	Universal
The Mosquito Coast	PG	Warner Bros.
O.C. and Stiggs*	R	MGM/UA
Omega Syndrome*	R	New World
Open House	R	Intercont'l
The Phantom of the Opera	NR	D.L. Taffner
They Still Call Me...Bruce	PG	Hal Roach
Valet Girls	R	Vestron
Walk Like A Man*	PG	MGM/UA
Wimps	R	Vestron
The Wind	NR	Omega

Original Programming/Specials

Execution: Fourteen Days in May:
America Undercover
HBO Comedy Hour Live: Harry Shearer
History of Tennis
Tanner '88:Moonwalker and Bookbag
Women of the Night II

Highlights

Burglar**	R	Warner Bros.
Secret of My Success	PG13	Universal
A Tribute to Atlantic Records		

ATLANTIC RECORDS
40TH ANNIVERSARY

(**denotes duplicated and exclusive between Home Box Office and Cinemax)

The Movie Channel

New Movies

Bang the Drum Slowly	PG	Paramount
Cattle King	NR	MGM/UA
Cyclone	R	Cinetel Films
Deliverance	R	Warner Bros.
Fahrenheit 451	NR	Universal
Father's Little Dividend (B&W)	NR	MGM/UA
The Ghost and Mrs. Muir (B&W)	NR	20th Century-Fox
The Great Train Robbery	PG	MGM/UA
The Harlem Globetrotters on Gilligan's Island	NR	Universal
Harry and Son	PG	Orion
Heaven With A Gun	PG	MGM/UA
Hour of the Assassin	R	Turner
Hunter's Blood	R	New Horizons
Illegal (B&W)	NR	MGM/UA
Keefer	NR	Universal
Kismet	NR	MGM/UA
The Man in the Gray Flanner Suit	NR	20th Century-Fox
A New Leaf	G	Paramount
The Other Side of Hell	NR	Universal
Plymouth Adventure	NR	MGM/UA
The Prisoner of Zenda	NR	MGM/UA
Stripped To Kill	R	MGM/UA
Swimming to Cambodia	NR	Cinecom
Treasure of the Four Crowns	PG	Viacom
What's Up Doc?	G	Warner Bros.

Highlights

Allan Quatermain & The Lost City*	PG	Cannon
The Good Wife*	R	Atlantic
Malone*	R	Orion
My Demon Lover**	PG13	Universal
Outrageous Fortune**	R	Touchstone

Secret of My Success

The Secret of My Success	PG13	Universal

(**denotes duplicated and exclusive between Showtime and TMC)

Showtime

New Movies

36 Hours	NR	MGM/UA
Arabesque	NR	Universal
Banning	NR	Universal
The Cap	NR	Atlantis
From Noon Till Three	PG	MGM/UA
Huckleberry Finn	NR	Viacom
Institute For Revenge	NR	Universal
Jimmy the Kid	PG	Viacom
Lucas Tanner	NR	Universal
Lust For Life	NR	MGM/UA
Memories Never Die	NR	Universal
My Swedish Bombshell	NR	Multi Media
Outside Chance	NR	Viacom +
Rogue Cop (B&W)	NR	MGM/UA
The Secret of My Success	PG13	Universal
The Train Robbers	PG	Warner Bros.
Tucker and the Horse Thief	NR	Scholastic
Union Depot(B&W)	NR	MGM/UA
Wonderland	NR	Viacom

Original Programming/Specials

Celebrity Close-up
Fleetwood Mac: Tango in the Night
It's Garry Shandling's Show
Poison 'Time'
Showtime Comedy Club Network

Highlights

Outrageous Fortune

Campus Man*	PG	Paramount
Hanoi Hilton*	R	Cannon
My Demon Lover*	PG13	Universal
Outrageous Fortune*	R	Touchstone
Rebel Love*	R	Troma
Secret of My Success	PG13	Universal
Steele Justice*	R	Atlantic

Subscriber Count

Satellite national services

Basic services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	352	6,546,800
Alternate View Network	243	3,000,000
America's Value Network	1,557	6,000,000
Arts & Entertainment (A&E)	2,500	30,000,000
Black Entertainment Television (BET)	1,000	18,500,000
Cable News Network (CNN)	11,770	44,300,000
Cable Value Network	1500	18,400,000
CBN Cable Network	7,919	38,981,000
C-SPAN	2,900	37,300,000
C-SPAN II	490	14,200,000
Country Music Television	714	7,100,000
The Discovery Channel	2,700	29,400,000
ESPN	19,123	46,200,000
Eternal Word Television Network (EWTN)	427	9,000,000
The Fashion Channel	600	8,700,000
Financial News Network (FNN)	1,920	28,200,000
FNN/Score	1,150	19,800,000
FNN/TelShop	900	11,600,000
GalaVision	300	1,000,000
Headline News	3,725	30,124,000
Home Shopping Network	1,270	14,636,087
Home Shopping Network 2	295	5,112,658
The Inspirational Network (PTL)	930	10,300,000
International Television Network	56	7,868,900
The Learning Channel	930	11,100,000
Liberty Broadcasting Network	42	1,121,718
Lifetime	3,600	37,200,000
Mind Extension University	83	1,200,000
Movietime	60	4,000,000
MTV	4,590	39,400,000
The Nashville Network	6,954	38,994,000
National Jewish Television (NJTV)	295	6,800,000
Nick At Night	3,175	32,500,000
Nickelodeon	5,670	37,900,000
The Nostalgia Channel	185	2,500,000
QVC Network	810	11,200,000
Shop Television Network	60	3,000,000
Silent Network	380	10,000,000
Tempo Television	700	14,500,000
The Travel Channel	220	7,000,000
Trinity Broadcasting Network	523	7,037,000
USA Network	10,100	42,500,000
Video Hits One (VH-1)	1,715	24,700,000
Video Shopping Mall	600	14,000,000
The Weather Channel	3,100	31,600,000
WGN-TV	10,809	23,888,216
WOR-TV	2,293	9,657,482
WPIX-TV	617	8,875,212
WTBS-TV	12,664	43,414,000

Pay services

Pay services	Affiliates	Subscribers
American Exxxtasy	35	25,000
American Movie Classics	1,400	10,000,000
Bravo	350	1,300,000
Cinemax	3,650	5,100,000
The Disney Channel	4,300	3,810,000
Festival	N/A	N/A
Home Box Office (HBO)	6,700	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	600	520,000
Showtime	3,200	5,700,000

Audio services

Audio services	Affiliates	Subscribers
Cable Radio Network	40	1,310,000
KKGO Super Jazz	16	131,832
Moody Bible Institute	62	935,528
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,576,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	107	1,250,000
WFMT Chicago	177	1,233,355

Text services

Text services	Affiliates	Subscribers
AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	40	875,328
DBC/MarketWatch	462	9,200,000
Electronic Program Guide (EPG)	321	6,494,395
EPG Jr.	161	152,178
EPG Prevue	N/A	N/A
Genesis Cable Storytime	39	1,550,000
Reuters News View	127	2,437,000
TV Decisions	177	7,000,000
X*Press Executive	350	4,000,000
X*Press Exchange	350	4,000,000

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Video Entertainment	195	15,000,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,000
Telaction	TBA	TBA
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	180,000
Bay Area Religious Channel (BARC)	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KTVT	415	3,502,352
Life Newsvision	35	50,000
Madison Square Garden	105	2,200,000
Meadows Racing Network	14	600,000
News 12 Long Island	7	500,000
Prime Cable	8	344,350
Prime Ticket	55	2,300,000
SportsVision (Chicago)	48	1,200,000
The Sunshine Network	107	1,500,000

Pay services

Pay services	Affiliates	Subscribers
Home Sports Entertainment Houston/Dallas	181	645,815
Home Team Sports	114	719,000
New England Sports Network	160	217,884
PRISM-Philadelphia	87	422,329
Pro-Am Sports	140	301,000
SportsChannel (Florida)	10	470,000
SportsChannel (New England)	147	800,000
SportsChannel (New York)	94	1,100,000
Z Channel	17	80,000

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1109, New York, NY 10016.

N/A denotes information not available.

TBA denotes to be announced.

Announced services

Satellite-fed services	Expected launch
ATV:Advertising Television	2nd Quarter 1988
International Cablecasting's CD/8-Digital Music Network	7/88
Kids Information Network	5/88
The Landscape Channel	4th Quarter 1988
Laugh TV	2nd Quarter 1988
Main Street	4th Quarter 1988
Telamerica Broadcast Network	2nd Quarter 1988
Teleworld Network Television	5/88
TNT	10/88
Visions Interface Satellite Network	7/88
Wingtips	2nd Quarter '88

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CableVision

[illegible] MANAGEMENT

FRONT LINE

Is Storer deal done? 26
In a third attempt to divest the Storer Cable properties, KKR has reached a deal with TCI and Comcast valued at $2.85 billion. Significantly, ATC is not in the mix.

Rogers, Bass on block 30
In an apparent effort to comply with Canadian law, Rogers puts its more than 500,000 subscribers on the block, as do the Bass Brothers.

The NFL dollars 35
Intuition tells you that having the NFL on cable put lots of money in operators' pockets, but now a study proves it. ESPN's analysis shows that the games amounted to $.96 per subscriber.

The Movie Channel, relaunched 35
It's played second fiddle to big brother Showtime for some time now, but Viacom is readying a major relaunch and remarketing of The Movie Channel. New programming and new interstitials will be on the air.

Up in the sky, it's Tempo! 36
Tempo and TCI are pursuing a $500 million, 32-channel DBS project and are hoping the FCC will approve the ambitious project.

Request adds a channel 40
Request TV plans to launch a second pay-per-view channel and also is making moves into the hotel/motel market.

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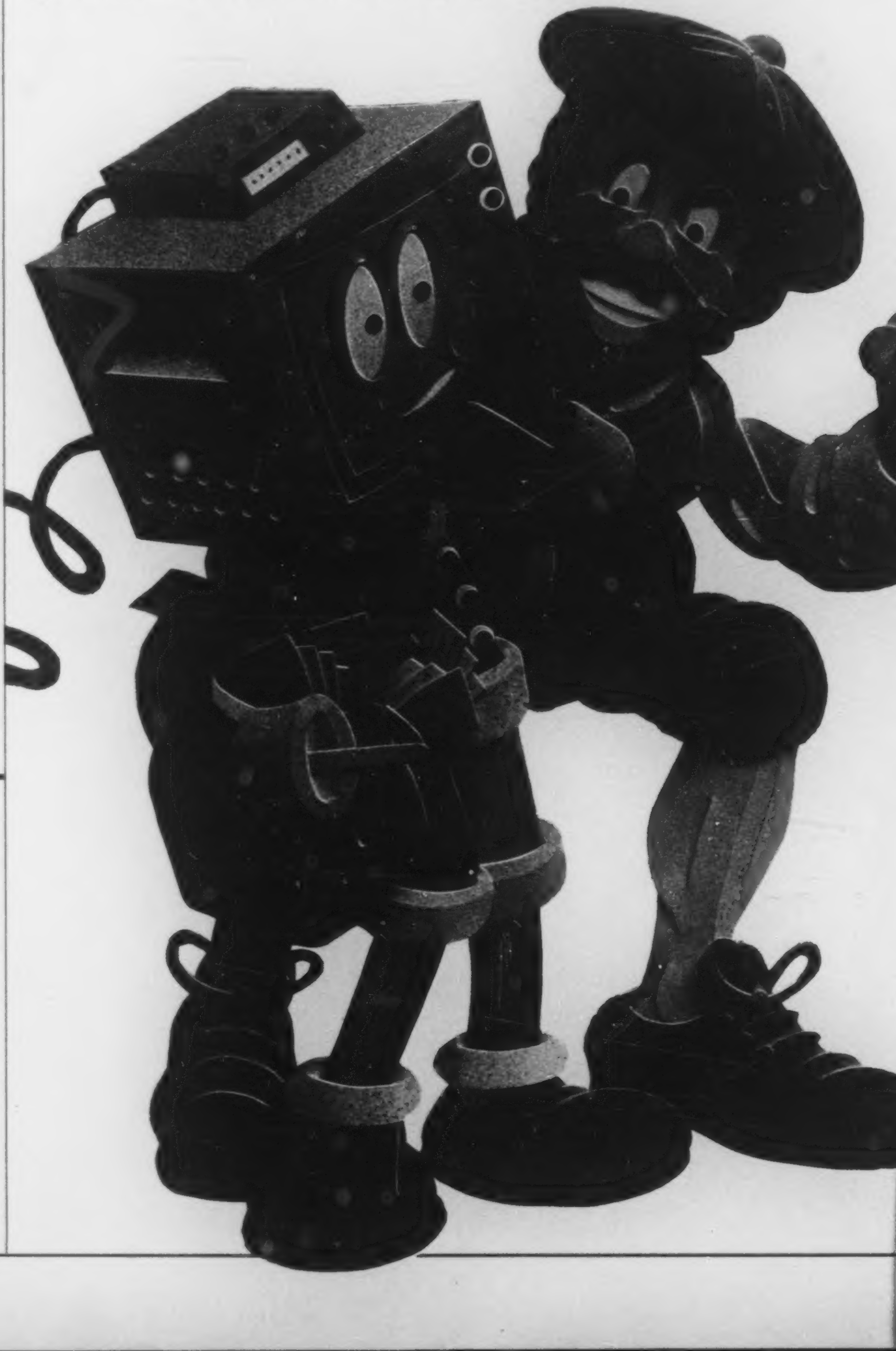
COVER STORY

Landing a lead role in Hollywood 92
So here cable is in Hollywood, both literally and figuratively. Lots of studio types are walking the convention floor and others are speaking on panels. There's much talk of program deal-making. But behind the scenes, the creative community's attitude toward cable hasn't changed much. Producers say turning out product for cable is on their list, but pretty far down. An examination of this mindset and the financials that drive it shows why.

Learning to live together 98
After two bitter years of rhetorical warfare, cable and Hollywood seem finally to be making peace. But so much purple prose has been lobbed from one camp to the other that it's hard to remember how it all got started, or how it's being ended and why. Return with us now to those thrilling days of white papers.



PROGRAMMING

Coming to blows in boxing 52
The fight game, once a staple of broadcast television, fell into disfavor some years ago. But now boxing is back, thanks to cable, which, as one executive says, has "put the tuxedo back" on the sport. HBO is out front, and many of the basics are staging matches.

This was the month that was 54
National Cable Month has come and gone, so it's time to ask, "How did it go?" We sit down with the leaders of the second annual event to assess what worked, what didn't, and what's ahead for next year.

Learning to love that gold 76
It's about as orderly and neatly arranged as, say, Filene's basement on the morning after Christmas, but the cable home shopping industry is steaming ahead, generating $100 million so far in commissions to operators. Things remain somewhat in turmoil, but teleretailing seems firmly entrenched.

MANAGEMENT

Very, very Viacom 114
The failed leveraged management buyout behind it and with an influx of former HBO and Coke executives now helping run it, Viacom seems poised to move onto higher ground. Chairman Sumner Redstone and President Frank Biondi share their strategies in a candid discussion.

A talk with John Goddard 122
Speaking of Viacom, the head of its cable unit, John W. Goddard, is poised to assume the chairmanship of the NCTA, so we sat down with him to learn his priorities and the style of leadership he will bring to the industry.

LAW AND REGULATION

Reprising Reagan 130
It seems like only yesterday that Ronald Reagan and the conservative movement swept into the White House. During his two terms the communications industries have undergone radical change and growth, fueled by deregulation and a hands-off attitude toward consolidation and integration. The Gipper is going, but he leaves a long shadow. We take a look back and try to sum it all up.

MEDIA WATCH

Present tech, future TV 106
What we know of television is rapidly changing, driven by advances in electronics, fiber optics and microcircuit. Much of it will be on display this week at the National Cable Television Association convention, and more is coming out of the labs.

BUSINESS AND FINANCE

The Readers' Choice Awards 138
The ballots have all been returned and counted, and our subscribers rate Continental Cablevision the top operating company in the business and TCI President John Malone as cable's most respected executive. We talk with Malone and Continental Chairman Amos Hostetter to learn how they have achieved prominence and the respect of their peers.

Making training pay 148
One reason Continental came out on top of our reader survey can be traced to the company's commitment to employee training. The MSO operates an innovative school in New Hampshire for CSRs and technicians which has helped boost efficiency and morale.

The economics of cable in Denver 162
Everyone calls Denver the Cable Capitol and says that the industry contributes greatly to the local economy. But is the impact all that great? Could the Mile High city get along without the MSOs there? We find cable in fact is propping up a sagging economy.

BETWEEN THE LINES

Welcome to Hollywood; cable's in the movies now

Hooray for Hollywood... and Los Angeles... and Ronald Reagan, who both invented and was invented by the entertainment world and its capital, and who went forth to put a new stamp on everything that was and is television.

The symmetry of beginnings and endings, of eras passing and new ones afoot, is everywhere visable as the cable industry makes its pilgramage to Hollywood this week. The cable industry was at the apex of its construction boom when it last assembled here seven years ago, and it returns—having created the wired nation—as an industry in full flower, a medium that very much is its own message.

Much of what you will read in this issue of *CableVision* concerns itself with these signposts of change, of new currents in national communications policy, industry technology, company hierarchy.

Without a doubt the greatest force that has driven the cable industry to the comfortable spot it occupies today can be traced to one man, Ronald Reagan. He was new to the White House in 1981 when the industry last gathered in Los Angeles, and had just installed a relatively unknown lawyer, Mark Fowler, at the Federal Communications Commission. Reagan of course went on to impress himself in history as "The Great Communicator," and at his bidding Fowler became Mad Mark, "The Great Deregulator." By ever-increasing degrees unshackled from government control, cable and other media were to undergo radical growth and transformation. Whether or not you agree with his politics, Reagan must be given his due, and we do that in a retrospective by Managing Editor John Wolfe, beginning on page 130. Wolfe also takes a look ahead, sizing up where the leading presidential candidates stand on communications policy issues. Is Bush a deregulator? Would Dukakis and the Democrats undo the Cable Act? Those questions must mostly go unanswered for now, because neither has much of a track record in this area. But interestingly, Wolfe reveals that Bush may have been instrumental in putting Fowler in charge of the media cookie jar.

And not so many years ago the biggest draws at cable conventions were the exhibit booths of equipment vendors, who busily were expanding the capacities of that foam-filled wonder known as coax. In recent times, though, it was the programmers who drew all the traffic and attention. But we sense that this convention may witness renewed interest in all things technical, and for good reason. Beginning on page 106, Associate Editor Roger Brown takes us on an eye-opening tour of the convention floor, while Contributing Editor Fred Dawson ushers us into the labs to demonstrate that watershed events are rapidly unfolding that will forever alter how television pictures are transmitted and viewed.

Finally, there's Viacom. One need not ask, as Butch Cassidy inquired of the Sundance Kid, "Who are those guys?" Mostly they're the household names who used to help run HBO. New York Bureau Chief Virginia Munger Kahn, beginning on page 114, takes us inside Viacom International to talk with Sumner Redstone and Frank Biondi to learn how things stand and where the company, darkened by a failed leveraged buyout, is heading.

The naked fact that this convention is being held in Hollywood's back yard is itself a harbinger of change. For two years now cable and Hollywood have bickered like the unhappily married couple they are. But that, too, is changing. The tentative, somewhat clumsy, efforts to patch up relations and do business together signal a looming change in how, and under what terms, cable acquires product from the creative community. Both sides are fresh on that learning curve, and it should make interesting reading determining how it will all shake out.

—Steve Tuttle
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May 9, 1988
Volume 12, Number 43

ITCI
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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. May 9, 1988, Volume 12, Number 43. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

Boxing regains its glory on cable

The money is good and the 'stories' attractive; basics become farm teams to the pays

By Wayne Friedman

To the home cable viewer, it might seem a major error in judgment. In perhaps the biggest fight of his career, heavyweight champion Mike Tyson will mix it up with former champ Michael Spinks next month. But HBO, which has been instrumental in pushing along Tyson's career, won't be airing the fight live. Instead, the pay service will air it on a tape-delay basis, perhaps upsetting loyal HBO and Tyson cable fans. But on closer inspection, HBO has sound monetary reasons for the tape delay.

At a potential $75 million dollars, one HBO spokesman jokes that "no one on staff was willing to take a pay cut" in order to gain live rights to the fight. Those will go instead to closed-circuit and pay-per-view television. The same thing happened when Sugar Ray Leonard beat Marvelous Marvin Hagler for the middleweight title—no live pay television. Currently, HBO feels comfortable spending $2 million to $4 million for bouts with big names—still top dollar compared to other television windows and networks. Such is the television economic equation that exists in boxing today.

In years past, the broadcast networks were in HBO's, and to a lesser extent, Showtime's, shoes, spending a few million on fights. Those free-spending days came to an end when advertisers and network executives became gunshy after several fights ended in the early rounds, costing the networks a plethora of makegoods and advertisers the value of their original investment.

Now, the broadcast networks do a handful of fights, staging 10 to 12 matches a year for $150,000 to $200,000 each. Occasionally when a match comes along that proves exciting, such as when lightweights Vinnie Pazienza and Greg Haugen came to blows for the IBF championship on NBC last June, its rematch will command a higher value. That's why ABC bid up the price for this past February's Haugen-Pazienza bout, spending around $375,000.

These days few advertisers, except for beer companies, specifically ask to buy boxing events. That's because boxing is usually incorporated into the sports anthology weekend programs such as NBC's *SportsWorld*, CBS's *SportsSaturday* or *SportsSunday, and ABC's Wide World of Sports.*

The network fight still has some basic problems, says Kevin Monaghan, boxing coordinator for NBC Sports, because for many advertisers it still has the distinction of being a tainted sport—too violent and too sleazy. But, Monaghan says, with NBC's new vice president of program planning and development, Jon Miller, the network is making gains in bringing back advertisers to boxing.

This retrenchment by the networks has left HBO as a dominant mover in televising boxing events over the past few years, say some experts. "HBO has put the tuxedo back on boxing," says Jay Larkin, director of original programming, special projects for Showtime. With its formation of the heavyweight unification series in the last couple of years, and now with its $27 million, seven fight commitment to heavyweight champion Mike Tyson, the pay service is squarely in front of the boxing world in televising big-name events.

At these financial heights, it would seem difficult for HBO to justify such programming purchases. But Seth Abraham, senior vice president of programming operations and sports for HBO, says there is substantial return on investment. Not only are there more HBO subscribers but those new subscribers tend to stay on longer. And, with HBO's existing base of subscribers, "boxing gives us tremendous appeal," he says. For example, HBO posted a Nielsen 34 rating/51 share for last January's Larry Holmes-Mike Tyson championship bout. Tyson's fights average a 21 rating/33 share, much larger than other HBO programming categories.

In HBO's "satisfaction" rankings, the Tyson fights ring up a 72 score, while its closest competitor, HBO original movies, average a 70 score; theatrical movies come in at 56. While short on specific new subscriber data for boxing, Abraham says it's not uncommon for some cable operators to record tremendous installs before a major bout. In one instance, he said, a system witnessed a voluminous 350 installs right before the Holmes-Tyson fight. HBO also believes that the presence of boxing adds to the programming mix in attracting new subscribers, even by word of mouth.

Still, can all this justify spending approximately $3.9 million for Tyson's next seven fights? Of course, say HBO executives, especially when you consider that HBO already spends in the range of $4 million to $5 million on original movies—films which don't score as well as boxing in ratings or its own satisfaction scores.

Boxing is thriving elsewhere on cable, but not at the lofty dollar levels HBO pays. Many lesser known fighters

Boxing by the numbers

1988

	Avg. Rating	# TV Homes (in mn)	Events
NBC	3.3	2.9	4
ABC	5.3	4.7	5
CBS	4.9	4.3	2
ESPN	2.1	1.0	12
USA	2.4	1.0	1

1987

	Avg. Rating	# TV Homes (in mn)	Events
NBC	4.6	4.0	12
ABC	4.4	3.8	15
CBS	3.9	3.4	10
ESPN	1.9	0.8	50
USA	1.3	0.5	39

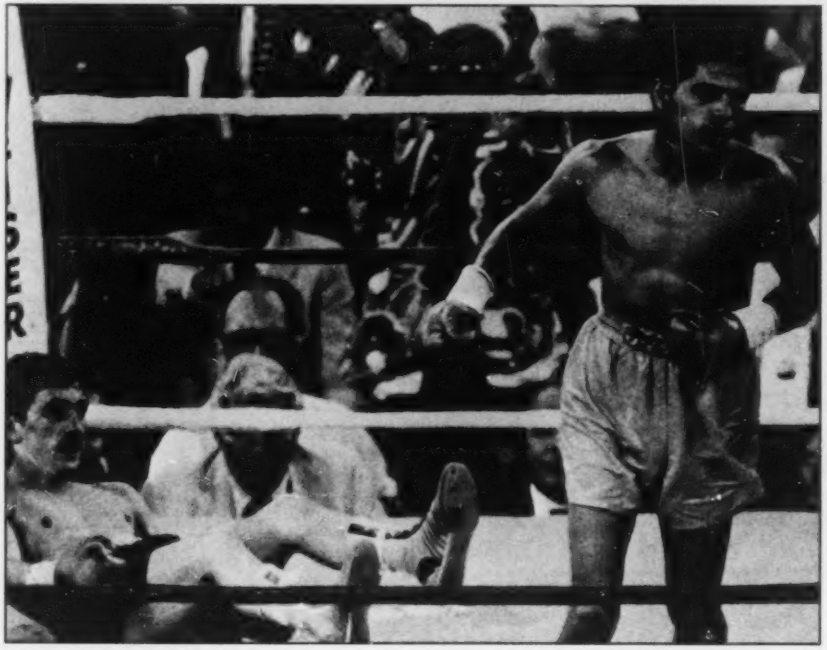
All ratings are from Nielsen Television Index, except for ESPN and USA, which are from Nielsen Home Video Index.

See **Boxing**, *page 52*

Boxing, *from page 48*

are receiving exposure on ESPN, MSG Network, FNN:Score and USA Network. Typically, these television venues pay modest rights fees of around $50,000 to $100,000 a fight, according to sources. These outlets are where fighters can build a name before moving on to the broadcast networks or the pay channels. ESPN, for instance, had early Mike Tyson fights, as well as top heavyweight contender James "Bonecrusher" Smith, junior lightweight champion Rocky Lockridge, and lightweights Bobby Czyz and Ray "Boom Boom" Mancini.

While FNN:Score claims the dollars are lower, it has been able to capture 20 championship title matches and 15 world title fights last year, 75 "fight cards" in all. Arnie Rosenthal, executive vice president of FNN and general manager of FNN: Score, says the economics work because a majority of its fights come from Europe, where promoters are looking for supplemental American television income. In addition, 70 percent of Score's fights are Monday-through Friday, where almost every one else, except ESPN and USA, won't air boxing. Score also doesn't mind scheduling fights on short notice. That's a plus against ESPN and USA which aren't likely to preempt regularly scheduled programming as quickly. As a result, Score has been able to pull in some major names like welterweight champion Lloyd Honeyghan, and ex-featherweight champion Barry McGuigan. Still, Score does its share of no-name fighters, and even old-name fighters. It has given exposure to former kings of the ring Roberto Duran and Aaron Pryor. With Duran, in particular, Rosenthal says, Score has helped in rebuilding his television career.



Barry McGuigan falls to Stevie Cruz. The economic direction for FNN: Score leads to Europe.

In general, every televising venue wants the bigger name and bigger talent, which almost always leads to bigger dollars. That's true for HBO with Tyson and Showtime with its main featured fighter, Evander Holyfield, the WBC cruiserweight champion. Says Showtime's Larkin: "We spend significantly more than the networks" because of the marquee names. Larkin, who also buys for Showtime's pay-per-view service, Viewer's Choice, and will air four-time champion Thomas "Hit Man" Hearns vs. Iran "The Blade" Barkley June 6.

Seth Abraham

With the pay-per-view services and pay television becoming the big leagues with the name fighters, the broadcast networks and some basic cable outlets act more like the farm teams that often help develop those names. It starts on finding interesting product. "I look for intriguing story lines and evenly-matched fights," says NBC's Monaghan. To do end NBC will invest in the "story" by booking fighters at least three or four times.

For any television outlet wanting to enter boxing as a programming venue, there is no shortage of fights. Bob Gutkowski, executive vice president of MSG Communications, says "it's a buyers market." MSG will stage around 18 fights from the Felt Forum this year. NBC's Monaghan says that "For every one I buy, I turn away 60.

Some cable networks are taking advantage of these market conditions. USA Network, which had been airing 30 mostly taped boxing matches, will be doing 20 live bouts this year, starting this month with ex-champion Roberto Duran versus Paul Thorn. Sources say USA is laying out $75,000 for this fight; other bouts however, will cost the cable network significantly less.

Like NBC, USA Network also is working on fighter "stories." Later this year it will showcase heavyweight Greg Bodzianowski, a boxer with an artificial leg, who the network has had on before.

Perhaps the next step for television networks is to try to get closer to owning the product. To some extent HBO has that with Tyson and Showtime with Holyfield. But MSG Network has taken that one step further. It's promoting a stable of fighters (junior welterweight champion Buddy McGuirk is one) for other cable and television outlets, such as NBC and ABC. MSG's Gutkowski says this is a young, profitable business. ESPN is also putting a toe in the promotional waters by co-promoting with Bob Arum the upcoming Hearns-Barkley pay-per-view fight.

Just like with any other television product, distributors try to get close to the producer, the talent. With this strategy, says Gutkowski, "you can control your own destiny." ■

PROGRAMMING/Pay-Per-View Supply Chart

May	Source
Adventures in Babysitting (5/12) MPAA Rating: PG13 Running Time: 99.06 mins. Cast: Elisabeth Shue, Keith Coogan, Anthony Rapp.	Touchstone
The Chipmunk Adventure (5/22) MPAA Rating: G Running Time: 76 mins. Cast: Animated.	Samuel Goldwyn
Date With An Angel (5/20) MPAA Rating: PG Running Time: 105 mins. Cast: Michael Knight, Phoebe Cates, Emmanuel Beart.	HBO Enterprises
Fatal Beauty (5/20) MPAA Rating: R Running Time: 104 mins. Cast: Whoopi Goldberg, Sam Elliot, Ruben Blades.	MGM/UA
Flowers In The Attic (5/16) MPAA Rating: PG13 Running Time: 95 mins. Cast: Victoria Tennant, Kristy Swanson, Louise Fletcher.	HBO Enterprises
Hamburger Hill (5/1) MPAA Rating: R Running Time: 109 mins. Cast: Anthony Barrile, Michael Patrick Boltman, Don Cheadle.	Paramount
Heart (5/1) MPAA Rating: R Running Time: 90 mins. Cast: Brad Davis, Jesse Doran, Francis Fisher.	HBO Enterprises
Hiding Out (5/6) MPAA Rating: PG13 Running Time: 145 mins. Cast: Jon Cryer, Annabeth Gish.	HBO Enterprises
Hotel Colonial (5/18) MPAA Rating: R Running Time: 104 mins. Cast: Robert Duvall, John Savage, Racheal Ward.	HBO Enterprises
Housekeeping (5/26) MPAA Rating: PG Running Time: 117 mins. Cast: Christine Lahti, Sarah Walker, Andrea Berchfield.	Columbia
Innerspace (5/4) MPAA Rating: PG Running Time: 120 mins. Cast: Martin Short, Dennis Quaid, Meg Ryan.	Warner Bros.
Less Than Zero (5/5) MPAA Rating: R Running Time: 100 mins. Cast: Andrew McCarthy, Jami Gurtz, Robert Downey Jr.	20th Century-Fox
My Life As A Dog (5/1) MPAA Rating: Unrated Running Time: 101 mins. Cast: Anton Glanzelicis.	Skouras
Return of the Living Dead Part II (5/26) MPAA Rating: R Running Time: 89 mins. Cast: James Karen, Thom Mathews, Dana Ashbrook.	Lorimar
Russkies (5/15) MPAA Rating: PG Running Time: 98.01 mins. Cast: Whip Hubley, Leaf Phoenix, Peter Billingsley.	New Century-Vista
Sicilian (5/5) MPAA Rating: R Running Time: 115 mins. Cast: Christopher Lambert, Terrence Stamp, Barbara Sukowa.	20th Century-Fox
Transmutations (5/13) MPAA Rating: R Running Time: 103 mins. Cast: Denholm Elliot, Stephen Berkoff.	Vestron
The UnTouchables (5/19) MPAA Rating: R Running Time: 119 mins. Cast: Kevin Costner, Robert DeNiro, Sean Connery.	Paramount
Women's Club (5/13) MPAA Rating: R Running Time: 90 mins. Cast: Michael Pare, Maude Adams, Eddie Velez.	Vestron

June	Source
Apprentice To Murder (6/16) MPAA Rating: PG13 Running Time: 95 mins. Cast: Donald Sutherland, Chad Lowe.	HBO Enterprises
Baby Boom (6/16) MPAA Rating: PG Running Time: 110 mins. Cast: Diane Keaton, Harold Ramis, Sam Wanamaker.	MGM/UA
High Tide (6/18) MPAA Rating: PG13 Running Time: 104 mins. Cast: Judy Davis, Jan Adale.	HBO Enterprises
House of Games (6/1) MPAA Rating: R Running Time: 102 mins. Cast: Lindsey Crouse, Joseph Mantegna.	Orion
The Killing Time (6/16) MPAA Rating: R Running Time: 95 mins. Cast: Beau Bridges, Keifer Sutherland.	HBO Enterprises
Like Father Like Son (6/23) MPAA Rating: PG13 Running Time: 97 mins. Cast: Kirk Cameron, Dudley Moore, Margaret Cohn.	Tri-Star
A Prayer For The Dying (6/1) MPAA Rating: R Running Time: 107 mins. Cast: Mickey Rourke, Allan Bates, Bob Hoskins.	Samuel Goldwyn
The Princess Bride (6/1) MPAA Rating: PG Running Time: 98 mins. Cast: Carey Elwes, Robin Wright, Carol Kane, Billy Crystal.	20th Century-Fox
The Principle (6/1) MPAA Rating: R Running Time: 108.05 mins. Cast: Louis Gossett Jr., James Belushi.	Tri-Star
Positive I.D. (6/23) MPAA Rating: R Running Time: 96 mins. Cast: Stephanie Rascoe, John Davies, Steve Fromholz.	Universal
Running Man (6/24) MPAA Rating: R Running Time: 100 mins. Cast: Arnold Schwarzenegger, Richard Dawson.	HBO Enterprises
Steel Dawn (6/11) MPAA Rating: R Running Time: 101 mins. Cast: Patrick Swayze.	Vestron
Taffin (6/28) MPAA Rating: R Running Time: 96 mins. Cast: Pierce Brosnan, Ray McAnaily, Alison Doody.	MGM/UA
The Witches of Eastwick (6/8) MPAA Rating: R Running Time: N/A mins. Cast: Jack Nicholson, Cher, Susan Sarandon.	Warner Bros.

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events. 24 hours per day, approx. 50 titles per month	Available in systems serving 1,000,000 addressable subscribers)
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	First-run movies, special events.	Available in systems serving 1,000,000 addressable subscribers)
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	Available in systems serving 1,000,000 addressable subscribers
Request Television	November 27, 1985	Galaxy I, tr. 12	VideoCipher II	Min. of four major motion pictures per week over 14 day cycle, special events	Available in systems serving 3.6 million subs. (2.5 million addressable).
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Channels I & II: First-run movies, special events	Available in systems serving over 3 million subs.
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: 2 movies per week, the newest and top-selling. Channel 2: Cult favorites, and top of the charts video store sellers. Channel 3: Additional plays of movies on 1 & 2 (frequency channel).	Available in systems serving 160,000 subs.(60,000 addressable).

Readers' Choice Awards

Malone most respcted, Continental most admired company in magazine poll

By Virginia Munger Kahn

Continental Cablevision long has enjoyed a reputation as one of the best managed, most conscientious companies in the cable business. Now a *CableVision* reader survey confirms that perception is no fluke. Within the cable community represented by our readers, Continental is the cable company most respected among the top 25 multiple system operators.

At the same time, readers selected Tele-Communications Inc. President and Chief Executive Officer John Malone as the most admired executive in the industry. Malone has grown TCI to become the largest cable company in the nation through shrewd financial and acquisition strategies. The consumer press may enjoy depicting cable's most visible player as "Darth Vadar," but Malone's compatriots obviously respect what he does for his company and the business in general.

The survey asked readers to select the MSO that best exemplified five characteristics: quality of management, quality of service, financial savvy, community relations and quality of work environment. Continental was rated No. 1 one in four of the five categories, including best management, work environment, service and community relations. Even though Continental is a private company and does not release financial figures, it was rated the third most admired MSO for financial savvy. In addition, Amos Hostetter, Continental's chairman and CEO, was rated the industry's second most admired executive.

In the MSO contest, American Television and Communications came in a strong second, with a concentration on management and service category ratings. The company ranked just behind Continental in community relations, quality of service and quality of management. The company was the third most admired MSO for quality of work environment. Both Continental and ATC spend considerable time and resources stressing service issues and management development.

TCI was ranked third among the top 25 MSOs, although it received an overwhelming 35 percent of the vote as the most financially astute company in the business. No other

See **Awards**, *page 140*

Most respected cable executives

Rank/Company	Named on % of ballots
1. John Malone, Tele-Communications	15.5%
2. Amos Hostetter, Continental	12.9%
3. Bill Daniels, Daniels & Assoc.	7.8%
4. Trygue Myhren, American TV & Comm.	6.1%
5. Chuck Dolan, Cablevision Systems	2.9%

Notes: More than 60 executives received at least one vote.

Most admiredable companies

Rank	Quality of management	Quality of service	Financial savvy	Community relations	Quality of work environment	Total points
1. Continental	1	1	3	1	1	**23**
2. American TV & Comm.	2	2	4	2	3	**17**
3. Tele-Communications	3	3 (tie)	1		5	**12**
4. American Cablesystems	5	3 (tie)		3 (tie)	4	**9**
5. Comcast Corp.	4		2			**6**
6. Daniels & Assoc.		5			2	**5**
No Opinion		3 (tie)		5		**4**

Notes: Total number of ballot votes in each category deterned rankings.
No. 1 ranking assigned 5 points; No. 2, 4 points; No. 3 points, etc.

> 'In the last seven or eight years you'd have to almost be brain dead not to look good in the cable business.'
>
> —Dr. John Malone

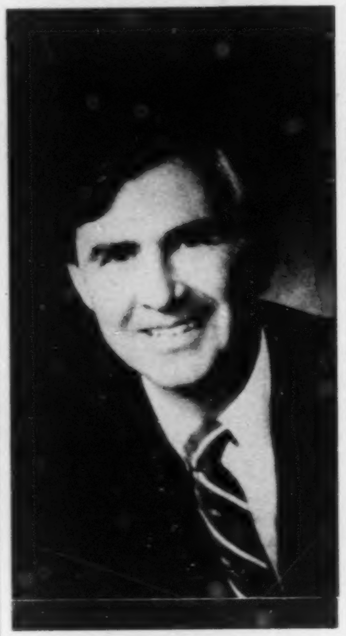
CV: **You've been voted the most admired executive in the business. What does this mean for you?**
Malone: I think people must have filled out their ballots wrong.
CV: **Either that or TCI has a lot of subscriptions.**
Malone: There you go.
CV: **No, come on, give me a real answer.**
Malone: I demand a recount.
CV: When I was talking to Bud Hostetter about this, he said it's just a matter of longevity. You stay around long enough and they just can't forget your name.

Malone: I think that's part of it. Name recognition is a factor. It just proves it doesn't matter what they write about you, as long as they spell your name right.
CV: **Aren't you pleased that your compatriots feel this way about you?**
Malone: Sure, it's always an honor, since most of the time I get called Darth Vader or a pernicious liar.
CV: **Why do you think your fellow cable operators consider you the most respected? What have you been doing to deserve this?**
Malone: I think it's just the fact that the company is the biggest and I'm probably the most visible because we're the biggest. In the last seven or eight years you'd have to almost be brain dead not to look good in the cable business.
CV: **But there have been pitfalls along the way, such as Jefferson City.**
Malone: We don't do everything right. When you look back at this industry, the only thing that anybody's done wrong is they didn't buy things they had an opportunity to buy. But that's history.

See **Malone**, *page 140*

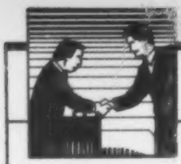
> 'I once described my management philosophy as feeling that it's more important to recruit well than to manage well.'
>
> —Amos Hostetter

CV: **Tell me what it means to you for Continental to be rated No. 1, the most admired company in the cable business?**
Hostetter: I think it's just terrific. It puts the recognition where it ought to be, which is on the contribution of the entire team, rather than singling out either systems or individuals. We work very hard at developing a sense of teamwork around here and I couldn't be happier that the readership judged us successful at that.



CV: **The natural tendency when people think they are No. 1 is to slack off. How do you maintain this position?**
Hostetter: I once described my management philosophy as feeling that it's more important to recruit well than to manage well. I think in a nutshell that's what Continental has done well, and that's what we would try to continue to do—identify and attract able, high-energy people who share the values in which the company believes, and give them a great deal of authority and independence. In my judgment you really get the best out of people when you make them understand that their fate is in their own hands, that the range of their decision-making is almost limitless and they do control their own destiny.
CV: **Is that how you attract good people? It's not just a matter of money?**
Hostetter: I think the non-monetary aspects of anyone's work environment is at least as important, and perhaps more important, than the monetary aspects. People need to feel that they're valued and that their opinions are respected and that they can, in fact, make a difference in the way things are being done. Our objectives have been to perhaps shoot a little higher in terms of the quality of the people we've sought, and then get the most from them by giving them perhaps too much rather than too little responsibility.
CV: **How important is it for Continental to keep**

See **Hostetter**, *page 142*



Malone, *from page 138*

CV: **Obviously you haven't done that because you've bought everything...no, I'm being facetious, you haven't bought everything in sight.**

Malone: We're just like everybody else, we look at the deals that got away and kick ourselves for having underestimated the future of the industry.

CV: **Because you are the executive of the largest MSO, and you are viewed as the most respected executive, do you feel you have a responsibility to provide the industry with leadership on certain problems that it's facing?**

Malone: I could basically try. It's been a few years now since we've kind of regarded our own fate as so closely linked with that of the industry at large that we do tend to take an industry-wide view. Now I guess, to paraphrase, "what's good for General Motors is good for the U.S.," what's good for TCI is probably good for the cable industry and vice versa. That's a little facetious, but generally true since our cable systems tend to mirror, pretty much, the average systems out there, the average mix. We run the gamut from very small systems in rural areas to large metropolitan areas. We're sort of a cross-section of the industry. Our employees have basically been some of the longest longevity people in the industry. We're basically old cable people. I guess leadership is doing and saying what they think ought to be done and said. Sometimes you have to be tough and, generally speaking, when we've been tough ... it has generally benefited the industry.

CV: **I just can't let that comment go by that "what's good for TCI is good for the industry."**

Malone: And vice versa, what's good for the industry is good for TCI.

CV: **But you have run into substantial problems with people saying you're too big, that you bully your way around.**

Malone: Not usually cable operators. That's usually program suppliers that say that. And they're usually the ones that are trying to raise everybody's rates through the roof for no good cause. I think my No. 1 job running TCI is to be a purchasing agent for my subscribers. Make sure that we get value now and in the future for what we pay for. So, from that point of view, sure I'm pretty tough on that. I don't think people should make ridiculous profits and then turn around and sell their programming business, and I've been outspoken on that. That doesn't make me popular. If they need the money to do a good job of programming, that's fine, and I'm very supportive of that. But if they need the money in order to make a big capital gain and a windfall profit, I tend to be very hostile to that.

CV: **It seems that the biggest image problem you've faced is the programming discounts you've been able to get for TCI, compared to small MSOs. What they contend is that by being able to negotiate such great deals for yourselves, you make it a lot more expensive for everybody else.**

Malone: That's absurd. First of all, the discounts we get are not that large. Second, most of the discounts that we have exist because we were very early in supporting these services and have put a lot of money into them early. As a result, we got commitments that extended out so that while these rates are being raised to other people, they weren't being raised as rapidly to us. When you look at the programming area, mostly what I would say about "what's

See **Malone**, *page 144*

Awards, *from page 139*

category or MSO received such a high percentage of votes, with most top choices eliciting between 12 and 18 percent of the votes.

In what may say a lot about the industry, "no opinion" tied with TCI and American Cablesystems for third place in quality of service. Admittedly, readers may not be familiar with the quality of customer service in systems other than their own operators, but the lack of opinion on service indicates disinterest in the issue.

Interestingly, American Cablesystems, a company that founder Steven Dodge openly admitted was modeled on Continental Cablevision, was rated the fourth most admired company. The fact that Continental acquired American earlier this year did not seem to deter voters.

Comcast Corp. demonstrated its financial and executive strength by ranking as the second most admired company for financial savvy and the fourth most admired MSO for management quality. Comcast long has been one of the most consistent financial performers and until its Group W acquisition in 1986 had posted earnings gains in more than a dozen consecutive quarters.

Daniels and Associates, which like American also sold its cable operations this year, ranked as the sixth most admired MSO. The company's work environment was judged the second best and its financial astuteness rated it the fifth most admired company. Bill Daniels, the chairman of the company, often has been called the "father of cable television" and he helped build many MSOs through his investment banking and brokerage activities.

Financial savvy clearly is behind the vote for Malone as the most respected executive in the business. Called "brilliant" and a great strategic thinker by industry executives and observers alike, Malone probably is the best known cable executive outside of Ted Turner. Last year, in fact, Malone led the cable operator effort to bail out Turner and his moves into the programming business presaged a wave of similar investments in other services.

At the root of Malone's reputation is the financial success and power of TCI. With more than $1 billion in revenues last year, TCI has grown into by far the largest MSO. The company has accomplished this through innovative acquisition strategies and aggressive financing, the formulation and articulation of which can be credited to Malone. TCI perennially shows up on Paul Kagan's list of most active acquirers each year, but it often pays among the lowest per subscriber prices for those acquisitions.

"He seems smarter (than other operators) and he's tough," said Ron Baron, president of Baron Capital Management, referring to Malone. "He's a better talker... and he helps people understand" the business, he said. Steve Effros, president of the Community Antenna Television Association, put it more forcefully. "He is an awesome personality and intellect."

Yet Effros, as many others, distinguishes TCI from companies like Continental and ATC. Contending that the industry is characterized by two differing philosophies—one that sees the business as a communications medium, the other that sees it as a financial instrument—Effros implies that those who see the business as a medium often pay more attention to their customers. TCI frequently is characterized as a financially-driven company, even though the company boasts it has the lowest rates in the industry. On the other hand ATC and Continental are perceived as more operations-oriented.

See **Awards**, *page 142*

Awards, *from page 140*

Hostetter, the second-place winner in our most respected executive poll, embodies that diversity. Saying that it is increasingly important that the industry speak with a number of voices, Hostetter in the past has criticized other cable companies for their aggressive pursuit of First Amendment rights and he has often staked out a position that is at odds with the aggressive, tough image conveyed by TCI and Malone.

The product of Hostetter's efforts is Continental's reputation as the premiere provider of cable television service and one of the best places to work within the industry. Consistent with his personality and management style, Hostetter denies responsibility for that image.

"No one individual can create what this company has become," he says, noting that Continental now employs more than 5,000 people. Yet Hostetter has set an example of commitment through his active participation in the Walter Kaitz Foundation and the National Cable Television Association.

In a brochure celebrating its 25th year in business, Continental touts its commitment to "quality, integrity and long-term results." Its stress on service to the consumer and its employees is evident in the number of awards it has won from the Cable Television Administration and Marketing Society—at least seven in the past four years, and along with American Cablesystems, the company is one of the most heavily represented at CTAM. The company "is a major part" of the organization, said CTAM President Margaret Durborow.

The recognition comes even from regulatory agencies. "They are generally quite responsive to consumers," said Penny Wells, executive director of the Massachusetts Cable Television Commission, noting that the company has a strong commitment to local programming. "Overall, they have a good reputation," she said. Continental is the largest operator in the state, serving 33 percent of subscribers there.

Effros credits the company's superior reputation to its efforts to communicate to its customers and employees. That effort to alert and inform subscribers

See **Awards**, *page 144*

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Acquired
By

MULTIVISION CABLE
TV CORP.

Cable Television System Serving
2500 Subscribers in Williamston,
Everetts, Bear Grass and Martin
County, North Carolina

The Buyer was represented by the undersigned

CHARLES GREENE
ASSOCIATES

Cable Television Brokerage

1117 Perimeter Center West
Suite E-319 Atlanta, Georgia 30338
(404) 668-9577

Hostetter, *from page 139*

growing itself in order to provide these people with continuing, challenging opportunities?

Hostetter: Very. We have, over the last 15 years, recorded a very consistent 25 to 30 percent compound rate of growth, and I'm not sure in any year we could have managed 50 percent, but on the other hand, we'd be underperforming if we were only doing 5 or 10 percent. So we work very hard at having a planned rate of growth that is fast enough to provide opportunities for the emerging new leaders in the company, and yet controlled enough that we can successfully manage it and continue to provide quality customer service.

CV: **The biggest acquisition you've done to date is the American acquisition. How are you going to keep your high-quality customer service, your good work environment and at the same time integrate all these new people into the company?**

Hostetter: American is and was a company that was very similar to Continental. We shared many of the same values, we approached the issues of employee relations and community relations very much in the same mind set. So that is perhaps the easiest company in the industry for us to assimilate. It came with a very good record of its own, and most important with an outstanding group of energetic people who, in my judgment, will and have fit in very well.

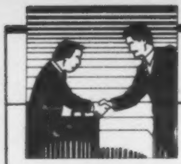
CV: **You've kept most of these people on, other than senior management?**

Hostetter: Virtually all of the regional and system-level people have decided to continue their careers with us and are very welcome additions.

CV: **You're the only private company among the top three MSOs, and I wonder if you think that's a factor in your ability to perhaps not concentrate so much on increasing your margins, and allowing you to concentrate more on other things.**

Hostetter: I think it's helped. It's certainly has kept us free of concerns about takeovers or free from certain quarter-to-quarter earnings pressures. And it also allows us to manage our financial affairs in private. We have a company that is almost 50 percent owned by the operating senior management, and that means you get a much closer judgment positioning of the objectives of the owners and the objectives of the managers. They are, in many respects, identical.

See **Hostetter**, *page 147*



Awards, *from page 142*

often results in the company avoiding adverse reactions to steps that are not necessarily in their interest, such as raising rates, said Effros. "They're very sensitive to the community and that's a key," he added.

Wells says that many of the Continental managers she deals with at the regional level are "young and conscientious," which makes them good spokesmen for their company.

Yet despite its beneficence, Continental is a business and at times it has shown its teeth. According to Wells, the company exerted some heavy-handed pressure on Springfield, Mass., when the mayor refused to decrease its commitment to a local programming fund that Continental contended was not being used. Once it became clear the mayor would not budge, Continental sent out notices to its subscribers saying their rates would rise, which caused the expected uproar, whereupon the mayor promptly backed down.

ATC also places heavy emphasis on its commitment to customer service and high quality management. For the last five years the company has had in place a system-by-system customer service index and managers are rewarded on that basis. According to Trygve Myhren, chairman and CEO, the systems are rated by an outside research firm on everything from the quality of the picture to their responsiveness to the consumer's latest problem. The first two times the survey was done there was little improvement, he said, but once the management incentive program was instituted, that "really drove" the numbers.

Myhren credits ATC's reputation to the company's commitment to the community and its employees and to its ability to attract top-notch talent. According to Myhren, key to that ability has been ATC's clustering strategy and efforts to decentralize its operations. ATC can attract experienced managers, he said, because its systems are large and because managers are given substantial autonomy.

A year ago Myhren was one of the first operators openly to commit his company to achieving a 70 percent penetration rate, and according to ATC managers, that goal is at the top of their agenda. Hanifen Imhoff analyst Ken Goldman contends that focus is seen as a sign of the company's consumer orientation, as opposed to a focus on margins.

Ed Hatch, research analyst at Merrill Lynch, notes the company has played a leadership role in testing and exploring new technologies such as high-definition television and fiber optics. That activity also has been conducted under the banner of better customer service.

"They are very fine operators," concluded Hatch, referring to the ATC management team. "They really have a vision of cable's future and its role in home entertainment."

As Goldman wrote in a recent report: "In our opinion the quality of management and focus on marketing and customer service separate ATC from other MSOs... We believe ATC leads the industry in the management of cable systems," which will provide the company with "an edge when the industry inevitably settles down from its deal-making mode and gets down to the business of operating systems."

Nevertheless, ATC's oft-touted but rarely consummated interest in acquisitions was credited for its fourth-place showing for financial savvy. Observers noted that the company may have avoided overpaying for systems, but at the same time, it probably has lost good investment opportunities to others.

The company that received the sec-

See **Awards**, *page 147*

Malone, *from page 140*

good for TCI is good for the industry" is that we have been major investors in starting programming services and encouraging some to stay in existence that would otherwise die, which have all been quite successful in terms of driving penetration. And if the industry has been succeeding very well financially, maybe that has something to do with what we've been doing, and we've been creating new programming, we've been trying to keep some level of competition out there among the programmers. I think if people would look at the availability and price at which they can negotiate programming and then consider what it would be if there was no competition, they might find that what we've been doing in terms of creating and encouraging competition among programmer suppliers is much more beneficial to them than the very small differences that exist in programming cost.

CV: **Fair enough. I understand that you have taken a role in dealing with the program discount issue with (the Community Antenna Television Association).**

Malone: What we tried to do was get the facts out on the table, that the spread in programming costs is not nearly as large as people maintain. We have some statistics which we presented to the CATA board of what we were paying and what we thought the averages in the industry were. It was kind of interesting because when you boil it all down it didn't really make that much difference. We were talking in terms of maybe a quarter a monthly subscriber difference between the biggest guy and the smallest guy in terms of basic programming, and a lot of that was offset by the fact that the smaller operators don't pay nearly the copyright fees that the bigger operators do. What we tried to do was help everybody to understand that a lot of this is an issue not between cable operators but the cable industry overall and the long-term costs and availability of programming. If you look at where the numbers really get big, it happens to be in pay TV programming. In that area we enjoy virtually no price benefit over somebody, say, with 200,000 subscribers. The difference is not between us and all the other MSOs, it's really the MSOs as a class and the very smallest operators. And what I would say in that regard is that there are two or three pay suppliers out there and if these people were more aggressive in terms of being willing to carry one versus the other, they probably could do a much better job of contracting. We should be willing to support programming when it's good and new and innovative and going to increase competition.

> 'If you look at where the numbers really get big, it happens to be in pay TV programming. In that area we enjoy virtually no price benefit over somebody, say, with 200,000 subscribers.'

CV: **What do you consider the most**

See **Malone**, *page 146*

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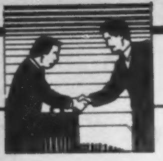

Malone, *from page 144*

important issue now for the industry?

Malone: Probably making sure that our success story gets properly told in Congress and not allowing people who sat on the sidelines to suddenly come in and assert a position that really isn't realistic, that isn't true. I think that we've got to do a good job of our political relations, and I think that we've got to make sure that we keep relations with responsible people in the various industries with which we do business. You know we're never going to agree on everything with everybody, but there generally are broad areas of agreement among people, and goodwill toward each other.

CV: **I don't think Jack Valenti has goodwill towards you, John.**

Malone: Oh, I don't know. I think Jack is doing his best to gain some position for his industry, and I don't think there's anything personal in it. I think he's basically very vocal and he's trying to draw attention to what is a major paranoia of his industry group. I think some of their paranoia is misguided, frankly. Most of them are upset because they don't own cable networks as opposed to having access to households for their programming. I don't think they really understand that distinction.

CV: **You're saying that the studios want to own more cable networks.**

Malone: Yes. Studios would really like to own cable networks, not sell programming. They want that extra measure of control. Most of them, for years, while cable was struggling to create programming for itself, they wouldn't sell to us. But now they'd like to come in and say, gee, it's a nice business why don't you let us into it.

CV: **And you're saying, sorry...**

Malone: We should say, well, where were you guys when the numbers all had brackets around them?

CV: **What other issues do you think are important?**

Malone: I think it's very important for the cable industry to use its new-found financial strength and new-found flexibility with a great deal of caution. I think we've got to keep our rates down, we've got to keep our service level good, and we've got to continue to support new and innovative programming ideas to continue to satisfy the consumer's insatiable thirst for variety.

CV: **Thank you very much.**

Financial/Stocks

Time posts 43% increase in quarter; HBO, ATC help

NEW YORK—With a 43 percent increase in the first quarter, Time Inc.'s net income for the three months ended March 31 was $66 million on revenues of $1.07 billion. In the same period a year ago net income was $46 million on revenues of $939 million.

Operating income from the programming segment reached $39 million. Contributing to the gain were continued subscriber growth at Home Box Office. Revenues rose to $310 million from $237 million, with $25 million of the increase stemming from the consolidation of results at HBO Video, which was previously accounted for by the equity method.

Operating profits from American Television & Communications, 82 percent owned by Time, rose 24 percent to $42 million from $34 million. Operating cash flow (operating income before depreciation and amortization) was $78.9 million, a 19 percent increase from $66.3 million for the same period in 1987.

Jones reports record earnings aided by sales

ENGLEWOOD, Colo.—Jones Intercable reported net income for the three and nine month periods ending Feb. 29 of $26,676,000 and $28,438,000, respectively, as compared to $634,000 and $2,440,000 reported for the comparable periods a year ago. The increase in net income was the result of gains from the sale of cable systems and fees and distributions earned upon the liquidation of certain managed limited partnerships. During the third quarter of fiscal 1988 the company sold six systems for a pre-tax gain of $35,191,000.

Operating cash flow totalled $12,750,000 and $22,141,000 as compared to $7,156,000 and $13,344,000 for the three and nine months one year ago, gains of 78 percent and 66 percent,

See **Notes**, *page 154*

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ond highest rating for financial savvy was Comcast Corp. Julian Brodsky, vice chairman and chief financial officer, long has been considered one of the best financial minds in the business, and Comcast blazed many new financing trails in its quest for capital in the late '70s and early 1980s.

Now the company is at the forefront of the move by operators into cellular telephones, and this time the impetus for the acquisition of American Cellular Network reportedly came from another senior manager at the company, Bernard Gallagher. The No. 2 ranking for financial savvy should be credited "to the financial team that is Comcast collectively," said one analyst, not to any single individual there. ■

Hostetter, *from page 142*

CV: **What do you see in the future for Continental?**

Hostetter: I hope more of the same. I hope we can continue to justify the vote of confidence that your readers have put in us. We want to continue to be sensitive to the fact that we're in a service business, and focus our energy on delivering a quality service at a fair price.

CV: **Thank you very much.**

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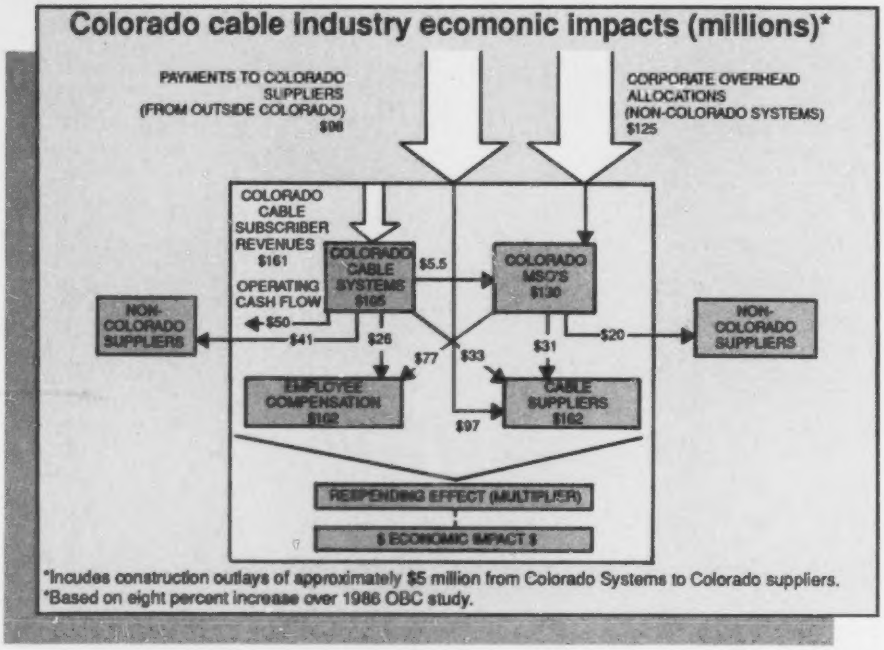
Colorado cable industry ecomonic impacts (millions)*

PAYMENTS TO COLORADO SUPPLIERS (FROM OUTSIDE COLORADO) $98
CORPORATE OVERHEAD ALLOCATIONS (NON-COLORADO SYSTEMS) $125
COLORADO CABLE SUBSCRIBER REVENUES $161
OPERATING CASH FLOW
COLORADO CABLE SYSTEMS $105
$5.5
COLORADO MSO'S $130
NON-COLORADO SUPPLIERS
$50
$41
$26
$77
$33
$31
$20
NON-COLORADO SUPPLIERS
EMPLOYEE COMPENSATION $102
CABLE SUPPLIERS $162
$97
RESPENDING EFFECT (MULTIPLIER)
$ ECONOMIC IMPACT $

*Incudes construction outlays of approximately $5 million from Colorado Systems to Colorado suppliers.
*Based on eight percent increase over 1986 OBC study.

As Denver economy reels, cable keeps the cash coming

By Craig Kuhl

DENVER—On any given day in the Mile High city, you can spot a bumper sticker bearing the plea "Oh, God, please grant me just one more oil boom and I promise not to squander it away this time."

Economically speaking, Denverites would rather talk about fresh powder in the high country, the Broncos, or its $5 billion tourism industry. But the fact remains: Denver's economy, which sadly boasts the second highest office vacancy rate in the nation, is like a boxer staggered by a flurry of cruel punches.

Greased by the oil and gas collapse and the decline of its agricultural base, the city and the state of Colorado have suffered an economic free-fall. They are betting that a more diversified economic base will pull them out of that tail-spin. And one of the industries lending to that diversification has been the cable industry. At least that's what Denver cable executives will tell you.

For some years now, Denver has proclaimed itself the "Cable Capital of America." With seven major MSOs based here, including the first, second and eighth largest in the country serving an aggregate number of subscribers of more than 10 million, its bragging rights seem well founded. But are they really? Does Denver's cable industry have as great an impact on the city and state economies as many people believe?

Does Denver's cable industry have as great an impact on the city and state economies as many people believe?

Bill Daniels, the "father of cable," first set up shop here in 1952, followed by Tele-Communications Inc. in 1965, Jones Intercable in 1967, American Television and Communications in 1968, United Cable in 1977 and Cable-General (later sold to Capital Cities Communications). By 1987 more than 90 percent of Colorado households—nearly 1.1 million homes—were passed by cable, served by these MSOs and other, smaller Denver systems. The state has more than a half-million subscribers.

Today, according to a recent *Denver Post* study, four of the five top Colorado companies are cable television companies, each with a market value of well over $1 billion. They include TCI with its more than 4 million subscribers, ATC with its 3.7 million subscribers, United Cable and Jones Intercable. The largest is US West.

The state's cable industry provides, directly and indirectly, 9,600 jobs generating more than $250 million in annual income, with about 90 percent of that income directly affecting Denver's economy. And through the state's cable systems, more than 1,200 people are employed, along with an additional 1,400 jobs at MSO corporate headquarters. Total compensation for these employees is approximately $98 million annually.

Cable industry suppliers, with revenues of $162 million, provide an additional 1,400 jobs, while cable-oriented suppliers are responsible for $90 million of in-flow from out of state.

These numbers seem impressive but admittedly are hard to quantify, according to Jim Trautman, one of the authors of a Browne, Bortz & Coddington study on the economic impact of cable on Colorado.

"Most suppliers also service other businesses, so it's difficult to ascertain what percentage of business is attributable to the cable industry. Those were the toughest numbers to quantify," Trautman said.

Yet the quantifiable numbers are impressive and have grown rapidly at a time when the economy needed a boost. The total system revenues through 1987 of approximately $161 million compares with less than $20 million in 1980. And with each subscriber now paying an average of about $25 per month, those numbers are expected to increase substantially in 1988.

But how do these numbers translate for Denver and the state of Colorado? Economists say each dollar generated by the cable industry and its related suppliers is respent 2.3 times in the local economy before leaving the city. Based on *CableVision's* conservative 8 percent projected increase of BBC's 1986 figures, approximately $130 million in expenditures was generated by Denver MSOs in 1987, with about 85 percent of that total, or more than $111 million, spent in Colorado.

The high compensation levels, particularly at the MSO headquarters, are important to the overall dollars spent in the state. For example, using the 8 percent increase rate over 1986, compensation for systems employees in 1987 averaged $21,000, while at the headquarters level the average was $54,000. In both cases, these numbers represent salaries and other benefits, which lead to a greater amount of disposable income, much of which is spent on goods and services in the local economy.

Tax revenues also are a critical part of cable's flow of dollars into the local economy. According to the BBC study, franchise fees, which range up to five percent of gross revenues, were the principle cable system payment to the government paid directly to the local franchise authority. Approximately $5.3 million was paid to local governments in 1987, while more than $4.2 million was paid in state taxes. Additionally, more than $800,000 was paid by corporate headquarters operations for local taxes.

The influx of dollars into the Denver economy from the cable industry also was boosted by suppliers. Cable operators from the system and corporate levels purchase goods and services from these suppliers, which include construction, manufacturing, transportation, communication, public utilities, wholesale and retail trade, finance insurance, real estate, services and government. These services accounted for approximately $160 million in revenues in 1987.

Some of the 120 businesses supplying the cable industry in Denver include consultants, brokers, video and program production houses, advertising and public relations agencies, wholesale distributors of products and services and several construction companies. An interesting sidelight to those figures is that nearly half of the supplier firms interviewed said that their business relationship with the cable industry was a key factor in their decision to locate or stay in Colorado.

Fred Niehaus, special assistant to the governor on economic development, likes what he sees in cable using local services. "The value of investing in our local economy is understood. We strongly encourage local businesses to

See **Economy**, *page 164*

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February, 1988

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CABLE T.V., INC.

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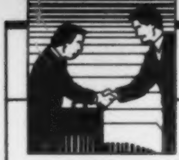

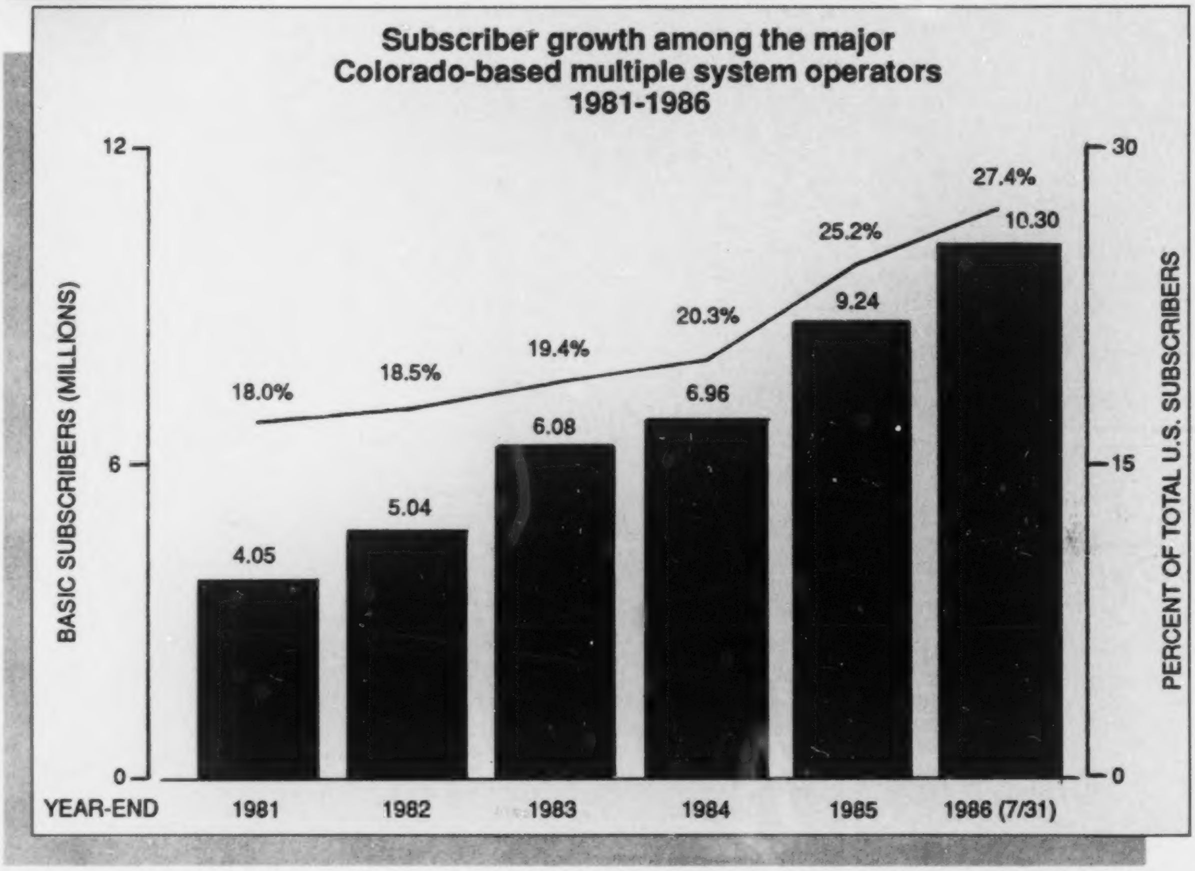
Subscriber growth among the major Colorado-based multiple system operators 1981-1986

Economy, *from page 163*

reinvest in their local goods and services, because once those dollars leave the city, they're gone forever," says Niehaus. "With Denver being considered the nation's cable capital, it has given us an identifiable entity in which to aggressively pursue new business. We are not a free-standing fiefdom, we need business partners, but we also realize that it must make good business sense to the cable companies to keep their business in Denver."

What many Denver officials complain about is the purchasing of goods and services outside the state of Colorado, and not just by the cable industry but by all Colorado businesses, because the state never sees the money at all. This may be sour grapes to an already beleaguered economy, but Niehaus disagrees. "It just makes good economic sense to support your local economy since it generates jobs, tax base and revenues for a cross-section of retailers and wholesalers." Having seven of the country's largest MSOs in Denver with total 1987 revenues surpassing $3 billion, and the total number of subscribers more than doubling in the past five years, one can't blame Niehaus for wanting that money to stay local.

Jeff Figg, CEO of the Jones Group, part of Jones Intercable, agrees. "We live here, pay taxes here and do business here, so it makes sense for us to reinvest here by creating jobs, purchasing goods and services and investing culturally. There's great synergy in that." Figg also pointed out that geographically, Denver sits midway between Europe and the Pacific Rim countries and because of that advantageous location "we can attract new business from both the Europeans and Asians and communicate to both without the fear of a 'satellite skip.'"

> 'With Denver being considered the nation's cable capital, it has given us an identifiable entity in which to aggressively pursue new business.'
>
> —Fred Niehaus, Special Asst. to the Gov. on Economic Development

The future of cable in Denver probably is rosey. According to the BBC study, the number of direct industry jobs has nearly tripled since 1980, from 1,000 to nearly 3,000. Assuming similar growth for industry suppliers and a constant respending multiplier of 2.3, industry related employment increased by more than 5,500 in the same period. The study goes on to suggest that the cable industry was responsible for more than 3 percent of all new jobs created in the Colorado economy in the past seven years. And with the overall growth of the cable industry nationwide on the rise, these growth patterns are expected to continue.

The numbers do add up for Denver and Colorado—$250 million of disposable personal income with a respending factor of 2.3, $10 million in taxes paid to local government annually, $161 million in systems revenues and $161 million spent on goods and services. ■

Satellite Lineup

Satcom III-R (GE Americom)	**Transponder**
Arts & Entertainment	24
BET	20
Cable Radio Network	4
Cinemax (West)	23
ESPN (Blackout)	7
The Fashion Channel	1
Financial News Network	4
Genesis Storytime	3
HBO (West)	13
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
National Jewish Television	18
QVC Network	8
Reuter Monitor Service	18
Shop Television Network	5
Tempo Sound	6
Tempo Television	6
Tempo Text	6
The Travel Channel	16
Trinity Broadcasting Network	3
TV Decisions	24
USA Network (West)	10

Satcom IV (GE Americom)	**Transponder**
Alternate View Network	10
American Movie Classics	10
America's Value Network	5
Biznet	6
Bravo	2
Gospel Music Network	3
Hit Video USA	18
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Liberty Broadcasting Network	7
Madison Square Garden Network	6
The Motivation Network	3
Movietime	17
National Black Network	19
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	24
Playboy On Demand	24
Prime Ticket	20
The Silent Network	23V
SportsChannel-New England	23
SportsVision	9
WPIX—New York	19

Satcom F2 (GE Americom)	**Transponder**
WCBS	2
WABC	4
WNBC	12

Satcom F4 (GE Americom)	**Transponder**
KTVT (Dallas/Ft.Worth)	3

Westar III (Western Union)	**Transponder**
CNN	5

Westar IV (Western Union)	**Transponder**
Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
Consumer Discount Network	24
National Christian Network	2
International Television Network	10D
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2

Westar V (Western Union)	**Transponder**
Moody Broadcasting Network	7D
Pro-Am Sports System (PASS)	8
The University Network	2
Zephyr Weather Information Service	7D

Telstar 303 (AT&T)	**Transponder**
American Exxxtasy	19

Galaxy I (Hughes)	**Transponder**
CBN Cable Network	11
Cinemax (East)	19
CNN	7
Country Music Television	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
Electra	18
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Headline News	8
The Inspirational Network	17
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
Request Television	12
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
Showtime (West)	16
SIN	6
Tempo Text	18
USA Network (East, Central)	21
Video Mall Network	22
WGN	3
WOR-TV	15
WTBS	18

Galaxy III	**Transponder**
Cable Value Network	9
Cable Video Store	5
C-SPAN	24V
C-SPAN II	14V
Eternal Word Television Network	10
Galactic Radio	11
Home Premiere Television	16
Lifetime	20
The Meadowlands Racing Network	17
Mind Extension University	11
MTV Music Television	17
Nick At Night	19
Nickelodeon	19
Video Hits One (VH1)	15
Viewer's Choice 1+2	21,18
The Weather Channel	13

Spacenet I (GTE)	**Transponder**
ACTS	15

Spacenet II (GTE)	**Transponder**
Select TV	13
Zap! Movies	9

Note: A company name in parentheses following a service or network designates the transponder owner. Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,200,000	(12/87)
2.	American Television and Communications Corp.	3,695,000	(12/87)
3.	Continental Cablevision	2,169,000	(2/88)
4.	Storer Cable Communications	1,480,000	(3/88)
5.	Cox Cable Communications	1,441,849	(3/88)
6.	Warner Cable Communications Inc.	1,405,349	(12/87)
7.	Comcast	1,342,500	(1/88)
8.	United Cable	1,179,336	(2/88)
9.	Newhouse Broadcasting	1,060,759	(12/87)
10.	Viacom Cablevision	1,058,436	(2/88)
11.	Cablevision Systems Corp.	1,042,508	(3/88)
12.	Heritage Communications Inc.	1,040,384	(2/88)
13.	Jones Intercable	1,012,602	(4/88)
14.	Times Mirror Cable Television Inc.	918,480	(12/87)
15.	Sammons Communications Inc.	827,652	(2/88)
16.	UA Cablesystems Corp.	803,615	(2/88)
17.	Century Communications Corp.	715,000	(4/88)
18.	Paragon Communications	665,000	(1/88)
19.	Cooke Cablevision	618,042	(3/88)
20.	Adelphia Communications	594,315	(3/88)
21.	Cablevision Industries	593,333	(2/88)
22.	Telecable Corp.	533,196	(3/88)
23.	Rogers Cablesystems Inc.	529,706	(12/87)
24.	Centel Cable	524,859	(1/88)
25.	Daniels & Associates	521,713	(3/88)
26.	Scripps-Howard	430,990	(12/87)
27.	Wometco Cable TV Inc.	395,679	(12/87)
28.	Post-Newsweek	385,442	(1/88)
29.	Prime Cable Corp.	381,938	(3/88)
30.	M.L. Media Partners	381,398	(3/88)
31.	Falcon Cable TV	343,000	(2/88)
32.	TCA Group	337,999	(1/88)
33.	Maclean Hunter Cable TV Ltd.	309,318	(2/88)
34.	Multimedia Cablevision	304,610	(1/88)
35.	Tele-Media	291,227	(1/88)
36.	Lenfest Group	266,370	(1/88)
37.	Rifkin & Associates	260,000	(10/87)
38.	Colony Communications Inc.	250,786	(1/88)
39.	Western Communications	250,019	(3/88)
40.	TKR Cable Co.	236,042	(1/88)
41.	Simmons Communications	226,861	(2/88)
42.	Star Cablevision Group	224,471	(3/88)
43.	Cencom Cable	220,509	(3/88)
44.	Communications Service Inc.	210,000	(12/86)
45.	Service Electric Cable TV Inc.	205,000	(11/87)
46.	Hauser Communications Inc.	196,000	(2/88)
47.	Taft Cablepartners.	194,463	(1/88)
48.	Greater Media	163,924	(4/88)
49.	Media General Inc.	163,000	(2/88)
50.	Harron Communications	158,982	(1/88)
51.	Sutton Capital Corp.	152,063	(11/87)
52.	Palmer Communications	151,400	(3/88)
53.	Armstrong Utilities	143,807	(2/88)
54.	U.S. Cable Corp.	142,126	(3/88)
55.	Summit Communications	124,900	(1/88)
56.	Cable Systems USA	123,826	(12/87)
57.	Columbia International	117,911	(1/88)
58.	Bresnan Communications Co.	115,018	(2/88)
59.	King Videocable	114,100	(1/88)
60.	Northland Communications	114,025	(12/87)
61.	Harte-Hanks Communications	113,344	(12/87)
62.	Sonic Communications	111,565	(8/87)
63.	Booth Communications	108,617	(1/88)
64.	Susquehanna Broadcasting	94,168	(12/87)
65.	Midcontinent Cable Systems Co.	90,853	(2/88)
66.	McDonald Group	90,079	(8/84)
67.	Omega Communications	90,000	(11/87)
68.	WEHCO Video	89,078	(12/87)
69.	United Video Management	86,341	(12/87)
70.	Pencor Services	85,264	(1/88)
71.	Coaxial Communications	84,859	(9/87)
72.	Selkirk Communications	72,800	(4/88)
73.	Enstar Communications	69,806	(3/88)
74.	Masada Corp.	69,120	(10/87)
75.	Rock Associates	67,215	(1/88)
76.	Chambers Communications Corp.	61,471	(12/87)
77.	Mountain Cable Co.	59,746	(1/88)
78.	Insight Communications	58,964	(1/88)
79.	Cardinal Communications	56,500	(1/88)
80.	North American Comm. Corp.	54,606	(12/87)
81.	Hearst Communications of California	53,966	(1/88)
82.	State Cable TV	51,939	(3/88)
83.	C-TEC Cable Systems	51,365	(4/88)
84.	Douglas Communications	50,741	(3/88)
85.	Dowden Communications	50,224	(3/88)
86.	Helicon Corp.	50,000	(3/88)
87.	Bachow and Elkin Communications	48,459	(2/88)
88.	Galaxy Cablevision	48,300	(3/88)
89.	Telesat Cablevision, Inc.	46,930	(3/88)
90.	Joseph Gans Cable TV	46,532	(11/86)
91.	Prestige Cable TV, Inc.	46,336	(2/88)
92.	New England Cablevision	45,947	(1/88)
93.	Donrey Media Group	45,869	(4/88)
94.	CableAmerica	44,000	(1/88)
95.	Leonard Communications	44,000	(2/88)
96.	CableSouth, Inc.	40,600	(2/88)
97.	Acton Corp.	38,500	(10/87)
98.	Countryside Cable	35,000	(2/88)
99.	ParCable	33,379	(4/88)
100.	Harmon Cable Communications	29,202	(3/88)

Subscriber counts are provided by MSOs and systems to *CableVision*. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Ave. South, Ste. 1109, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	296,152	(3/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	242,000	(12/87)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	Puget Sound, WA	Viacom	199,800	(3/88)
6.	East Orange, NJ	Maclean Hunter	198,412	(2/88)
7.	Portland, OR	Rogers	187,442	(2/88)
8.	Honolulu, HI	ATC	187,000	(12/87)
9.	Houston, TX	Warner Cable	185,700	(3/88)
10.	Phoenix, AZ	Times Mirror	184,921	(12/87)
11.	Hartford/Plainville/Vernon, CT	United Cable	170,955	(2/88)
12.	Chicago (suburbs)	Tele-Communications Inc.	163,000	(12/87)
13.	Wayne, NJ	UA Cablesystems	162,270	(2/88)
14.	Louisville/Jeff. Co., KY	Storer Communications	161,830	(3/88)
15.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
16.	Cincinnati, OH	Warner	157,332	(12/87)
17.	Englewood, CO	United	156,911	(2/88)
18.	Rochester, NY	ATC	154,000	(12/87)
19.	Atlanta, GA	Prime Cable Corp.	153,557	(3/88)
20.	Fairfax, VA	Media General	152,000	(2/88)
21.	Jacksonville, FL	Continental Cablevision	152,000	(2/88)
22.	Tulsa, OK	United	151,239	(2/88)
23.	Cherry Hills, NJ	NYT	145,075	(7/87)
24.	Connecticut Complex	Cablevision Co.ATC	143,862	(3/88)
25.	Orlando,FL	ATC	143,500	(3/87)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
28.	Manhattan, NY	Paragon Cable	132,000	(1/88)
29.	San Jose/Campbell, CA	Gill Cable	131,600	(1/88)
30.	Baltimore County, MD	Comcast	130,000	(10/87)
31.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
32.	St. Louis Co., MO	Cencom Cable	125,361	(3/88)
33.	Charlotte, NC	ATC	125,000	(12/87)
34.	Long Island, NY	Viacom	120,700	(3/88)
35.	San Francisco, CA	Viacom	119,300	(3/88)
36.	San Diego, CA	ATC	119,000	(12/87)
37.	Austin, TX	ATC	115,000	(12/87)
38.	Pompano, FL	Continental	112,567	(12/87)
39.	Seattle, WA	TCI	112,500	(12/87)
40.	Warren, NJ	TKR	109,854	(2/88)
41.	Richmond, VA	Continental	109,000	(2/88)
42.	Toledo, OH	Blade Communications	105,470	(10/87)
43.	San Juan, PR	ML Media Partners	104,757	(12/86)
44.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
45.	Wilmington, DE	Heritage	100,972	(2/88)
46.	Dallas, TX	Heritage	100,910	(2/88)
47.	Grand Rapids, MI	UA Cablesystems	100,728	(2/88)
48.	Southeast Michigan	Comcast	100,031	(10/87)
49.	Dade/Broward, FL	Storer	95,821	(3/88)
50.	Escondido, CA	Times Mirror	95,374	(12/87)
51.	Raleigh/Durham, N.C.	ATC	95,000	(12/87)
52.	Tacoma, WA	Viacom	94,200	(3/88)
53.	Pinellas County, FL	Vision Cable	93,920	(9/87)
54.	Indianapolis, IN	Comcast	92,000	(10/87)
55.	Pittsburgh, PA	TCI	91,000	(12/87)
56.	Boston, MA	Cablevision Co.	90,565	(3/88)
57.	Naples, FL	Palmer Communications	90,470	(3/88)
58.	Nashville, TN	Viacom	88,400	(3/88)
59.	Worcester Complex, MA	Greater Media	88,349	(4/88)
60.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
61.	Las Vegas, NV	Prime Cable	85,344	(3/88)
62.	Greensboro, NC	ATC	84,000	(12/87)
63.	Orange County, CA	Times Mirror	83,504	(12/87)
64.	Harrisburg, PA	Sammons Communications	82,179	(2/88)
65.	New Orleans, LA	Cox Cable	80,348	(3/88)
66.	Dover, Morristown, NJ	Sammons	80,209	(2/88)
67.	Milwaukee, WI	Warner	80,000	(9/87)
68.	South Bend, IN	Heritage	79,789	(2/88)
69.	Baton Rouge, LA	Daniels & Assocs.	79,486	(3/88)
70.	Oakland County, MI	United	78,559	(2/88)
71.	Cook County, IL	Continental	77,800	(2/88)
72.	Albuquerque, NM	Jones Intercable	77,300	(2/88)
73.	Akron, OH	Warner	77,202	(12/87)
74.	Indianapolis,IN	ATC	77,000	(12/87)
75.	Columbus, OH	Warner	75,774	(12/87)
76.	South Texas, TX	Heritage	75,410	(2/88)
77.	Cleveland Heights, OH	Viacom	75,200	(3/88)
78.	Allentown, PA	Service Electric	75,000	(9/87)
79.	Flint, MI	Comcast	75,000	(10/87)
80.	Hillsborough, FL	Paragon	75,000	(1/88)
81.	St. Petersburg, FL	Paragon	75,000	(1/88)
82.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
83.	Medford Complex (Boston Suburbs), MA	Warner	74,043	(12/87)
84.	Providence/Warwick, RI	Times Mirror	73,415	(12/87)
85.	Omaha, NE	Cox Cable	73,361	(3/88)
86.	Ocean County, NJ	Adelphia	72,355	(3/88)
87.	Contra Costa Co. CA	Televents	72,252	(10/87)
88.	Fayetteville, NC	ATC	72,000	(12/87)
89.	Tucson, AZ	Cooke Cablevision	71,234	(3/88)
90.	El Paso, TX	Paragon	71,000	(1/88)
91.	Little Rock, AR	Storer	71,000	(3/88)
92.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
93.	Des Moines, IA	Heritage	70,206	(2/88)
94.	Lincoln, RI	Heritage	69,977	(2/88)
95.	Santa Monica, CA	Century	68,900	(12/86)
96.	Madison, WI	TCI	68,000	(12/87)
97.	New Haven, CT	Storer	67,584	(3/88)
98.	Birmingham, AL	ATC	67,000	(12/87)
99.	Syracuse (suburbs), NY	NewChannels Corp.	66,952	(12/87)
100.	Winston-Salem, N.C.	Summit Communications	66,245	(1/88)

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8/9/88

MAY 23, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

NBC BUYS TEMPO

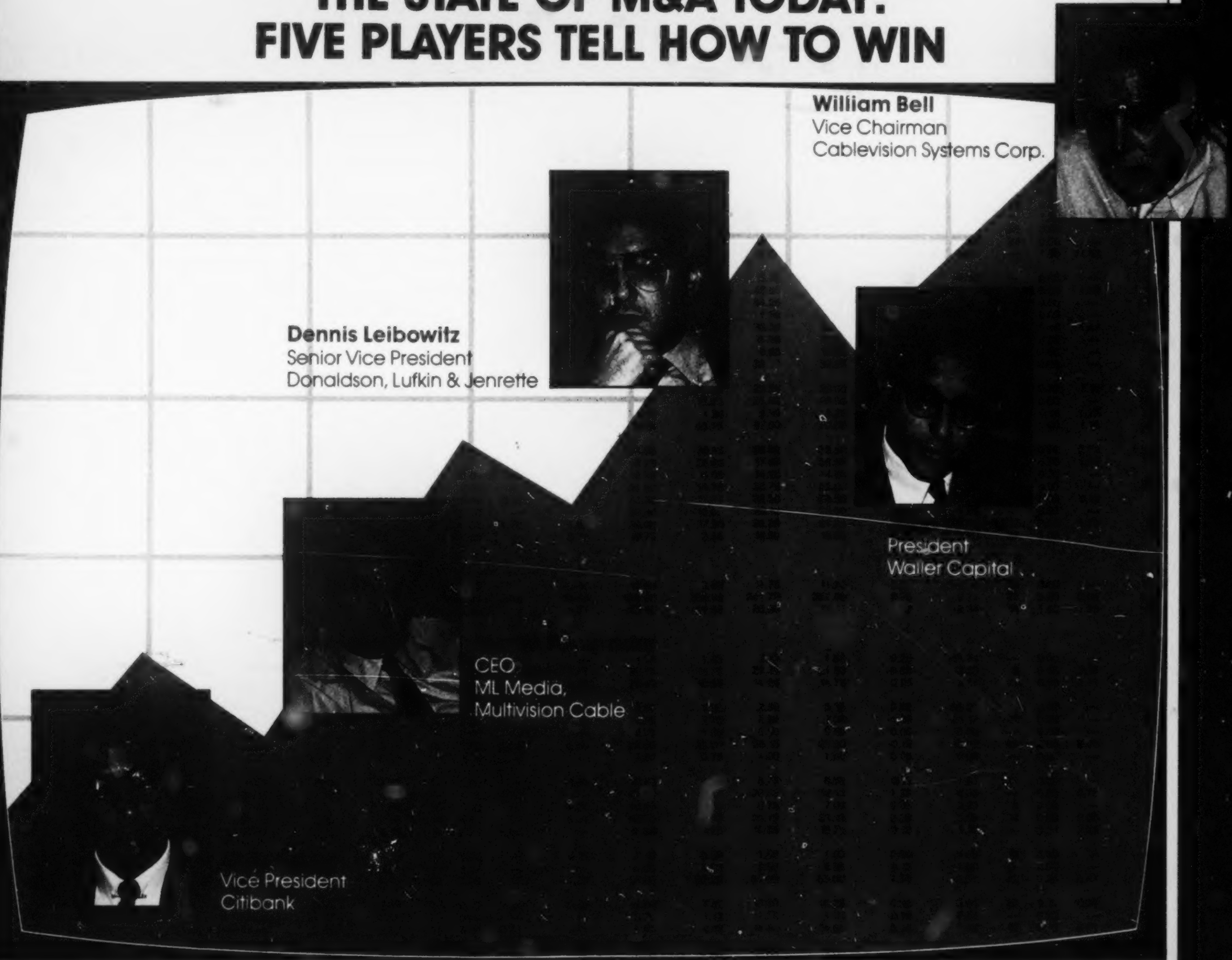
S/TMC EQUITY DEAL ADVANCES

A NEW WRINKLE IN ADVERTISING

WARNER MERGES WITH LORIMAR

MALONE STARS AT HILL HEARING

THE STATE OF M&A TODAY: FIVE PLAYERS TELL HOW TO WIN



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Citibank

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FRONT LINE

Cable-bashing calms 12
John Malone takes the spotlight in a milder than expected Hill hearing on supposed cable industry abuses.

Warner's urge to merge 16
Warner Communications creates a TV megaforce by entering into a merger agreement with Lorimar-Telepictures.

Bass, TCI do a deal 16
TCI will add 204,000 subscribers to its balance sheet as a result of the decision by the Robert Bass interests to sell their 50 percent ownership position in Taft Cable Partners.

New wrinkle in ads 18
Here's a new name to learn: ASTA. Some in the barter syndication group believe that packaging the ad sales on cable and syndication product would increase revenues while taking away share from the Big 3.

S/TMC equity plan 20
Viacom International is discussing equity investment plans for Showtime/The Movie Channel that if successful could change the economics of the pay television business. Operators are being asked to contribute between $200 million and $250 million in cash.

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NCTA CONVENTION COVERAGE

Cable's L.A. awe 24
In one of its newsiest gatherings in recent years, the National Cable Television Association hosts a show in Los Angeles that puts a spring in the step of even the most hardened MSO executives. Programming developments dominate, with NBC's buy of Tempo and a closed-door meeting with MCA. But out on the floor technological advances also were drawing attention.

MANAGEMENT

You're still the one 25
Financial experts ponder the pluses and minuses of cable and pronounce the business still hale and hearty. The industry remains the medium of choice for investors, especially now that high-quality programming should make the product easier to sell.

PROGRAMMING

NBC, MCA, Fox 25
With names like that on everyone's lips, you had to pinch yourself that this really was a cable convention. The top-rated network's bid for entry into cable becomes a reality, with Fox courting affiliates of the cable kind.

MEDIA WATCH

A sharper focus on HDTV 36
All the talk about advanced television systems is translated into action with some large sums committed to R&D projects. And out on the exhibit floor, it was standing room only to view demonstrations of high-definition TV.

LAW AND REGULATION

How safe is the Act? 44
Despite two years of intense scrutiny, congressional and FCC leaders declare that the Cable Act remains safe for the time being, as long as the industry continues to use caution. But the telco question looms especially large.

COVER STORY

The state of M&A today 49
The mergers and acquisitions game is getting riskier as system prices continue skyward, crimping margins as interest rate concerns furrow the brows of buyers and sellers. To determine where the hotspots are in M&A, we sit down with five executives, each with a different perspective on how to play the game and win.

Cover photos by Candace Drake
Cover design by Don Ruth

BETWEEN THE LINES

Cable achieves success by making converts of foes

Like the tornado that swept up Dorothy and Toto from their farm in Kansas and deposited them in the Land of Oz, the whirlwind of cable's growth and emerging marketplace power is sucking into the industry many players who not so long ago dismissed cable or even fought to suppress it.

The very visible presence of some of these old adversaries at the National Cable Television Association Convention in Los Angeles seemed to inspire a little giddiness in both camps. Listening to the folks from NBC, MCA and Fox gush about the industry, one could almost hear them promising themselves that in cable, "There's no place like home, there's no place like home."

And it was a memorable experience watching the MSO executives leaving the closed-door meeting with MCA, Steven Spielberg, et al, disproving the law of gravity by walking a few feet off the ground.

This euphoria that permeated the convention is reminiscent of cable's blue sky days, when no convention was worth its salt unless half a dozen new programming ventures were announced. But the watershed developments at Cable '88 stem from events much closer to the ground. They are an affirmation of the plain fact of American life that in these late-'80s, television *is* cable.

Over the past decade the cable industry has negotiated a dangerous course, maneuvering between the broadcast networks on one side and Hollywood on the other. It is a powerful statement that today two of the three networks are firmly committed to cable programming ventures, as are several of the studios, notably MCA, which is the power behind the throne of the Motion Picture Association of America.

Cable '88 stands as a remarkable achievement in cable's long march toward success. The Triple Crown now is complete. Deregulation through the Cable Act. Passing 50 percent penetration. Outlasting and embracing its former foes.

—Steve Tuttle
Editor and Associate Publisher

Letters

Editor:

Gary Arlen's article, "Getting all that gold makes it easier to love all that glitz" (*CV* 5/9/88 p.76) contained a gross factual error in its description of Telaction. He states, "The Telaction technology requires that a frame grabber device be installed on cable lines, cutting into the trunk at least once or twice per neighborhood block." That statement is totally incorrect. The Telaction technology requires that a framestore be installed only on the feeder line, approximately once each mile, not once or twice per block on the trunk. Telaction *never* touches trunk cables. This error is potentially very damaging to understanding Telaction and reinforces a fundamental misconception about our technology.

Edward A. Merlis
President
Telaction Cable Affiliate Division

Editor's Note: CableVision *regrets the error.*

CableVision

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May 23, 1988
Volume 12, Number 44

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. May 23, 1988, Volume 12, Number 44. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

What's on the Pays/June

Cinemax

New Movies

Title	MPAA Rating	Distributor
All About Eve (B&W)	NR	20th Century-Fox
Bless The Beasts & Children*	NR	Columbia
City of Shadows	R	Shapiro/ Glickenhaus
Cry of the City (B&W)	NR	20th Century-Fox
The Danger Zone	R	Skouras
The Dark Corner (B&W)	NR	20th Century-Fox
Dead of Winter*	R	MGM/UA
Death of a Salesman	NR	H.M. Television
D.O.A. (Colorized)	NR	Hal Roach
Dragonwyck (B&W)	NR	20th Century-Fox
Everything's Ducky* (B&W)	NR	Columbia
Eye of the Tiger	R	Scotti Bros.
The Far Country	NR	Hal Roach
Firehouse	R	Shapiro/ Glickenhaus
Friday The 13th-The Final Chapter*	R	Paramount
The Gamma People* (B&W)	NR	Columbia
The Ghost and Mrs. Muir (B&W)	NR	20th Century-Fox
Going Ape!	PG	Paramount
Hollywood Shuffle	R	S. Goldwyn
House II:The Second Story	PG13	New World
House of Strangers (B&W)	NR	20th Century-Fox
Jane Eyre (B*W)	NR	20th Century-Fox
The Last Wagon	NR	20th Century-Fox
Lawrence of Arabia*	NR	Columbia
Love Songs	NR	Int. Spectrafilm
The Luck of the Irish (B&W)	NR	20th Century-Fox
Man With Two Brains	R	Warner Bros.
The Mating of Millie* (B&W)	NR	Columbia
Meatballs III	R	The Movie Store
Most Dangerous Man Alive* (B&W)	NR	Columbia
Nightmare on Elm Street 3: Dream Warriors	R	Universal
No Way Out (B&W)	NR	20th Century-Fox
Over 21* (B&W)	NR	Columbia
Passport to China* (B&W)	NR	Columbia
Personal Services	R	Vestron
Preppies	R	Blum Group
Project X	PG	20th Century-Fox
Run For Cover	NR	Paramount
The Story of Alexander Graham Bell (B&W)	NR	20th Century-Fox
Suddenly, Last Summer* (B&W)	NR	Columbia
Suez (B&W)	NR	20th Century-Fox
Sweet Revenge	R	Concorde
Topper Returns (B&W)	NR	Hal Roach
Trading Places*	R	Paramount
The Whistle Blower	PG	Hemdale
Wilson	NR	20th Century-Fox

Original Programming/Specials

Cinemax Comedy Experiment:
Teri Garr in Flapjack Floozie

Highlights

The Believers	R	Orion
Dirty Dancing**	PG13	Vestron
Gardens of Stone*	R	Tri-Star
Roxanne**	PG	Columbia

Roxanne

The Disney Channel

New Movies

The Apple Dumpling Gang*	G	Disney
The Bears and I*	NR	Disney
The Beniker Gang*	G	Lorimar
The Boatniks*	G	Disney
Christian and the Lion*	G	Art Greenfield Co.
The Duchess of Idaho	NR	MGM/UA
El Dorado	NR	Paramount
Escape to Witch Mountain	G	Disney
Father Was A Fullback	NR	20th Century-Fox
Girl Happy	NR	Turner Entertainment
Green Grass of Wyoming	NR	20th Century-Fox
Hansel and Gretel*	NR	Entertainment Marketing
Hatari	NR	Paramount
King Crab	NR	Viacom
Mootchie of the Little League*	NR	Disney
Mr. Rossi Looks For Happiness*	NR	Italtoons
My Little Pony*	G	Sunbow Productions
The Mystery of Edward Sims*	NR	Disney
Peter Lundy and the Medicine Hat Stallion*	NR	Viacom
Platypus Cove*	NR	Cori Films
Raggedy Ann and Andy: A Musical Adventure*	NR	Harmony Gold
Red Badge of Courage	NR	MGM/UA
Seven Brides For Seven Brothers	G	MGM/UA
Speedway	G	Turner Entertainment
Stage Struck	NR	RKO/Buenavista
State Fair	NR	20th Century-Fox
That Darn Cat	G	Disney
True Grit	G	Paramount
2 1/2 Dads*	NR	Disney
The Wings of Eagles	NR	MGM/UA

Original Programming/Specials

Astaire Time*
Babar Comes To America*
Black Beauty*
Bud Greenspan's Summer Olympic Great #2*
Dinosaurs*
Dr. Seuss' The Grinch Grinches the Cat in the Hat*
Jean Sheperd's Great American 4th of July and Other Disasters*
The Jesse Owens Story
Kaleidoscope Concert:
Linda Arnold*
King of the Beasts*
My Friend Liberty*
Sweet Land of Liberty

The Night Train to Kathmandu

Highlights

A Prairie Home Companion: The 2nd Annual Farewell Performance*	Disney Channel Original Production
The Night Train to Kathmandu	Disney
Astaire Time*	Universal Pay TV
Little Miss Broadway*	20th Century-Fox
Kaleidoscope Concert: Gary Lapow*	Disney Channel Original Production
America at the Olympics*	Lorimar/Cappy Productions

Elvis

Going Hollywood: The War Years*	Castle Hill
Steve Allen's Golden Age of Comedy	Castle Hill
Elvis: Aloha From Hawaii*	Fox/Lorber

Home Box Office

New Movies

The Adventures of Sinbad*	NR	Taffner
The Adventures of Tom Sawyer*	NR	Nippon
Cactus Flower*	PG	Columbia
Captive Hearts*	PG	MGM/UA
Cyclone	R	Cinetel
'Free Ride'	R	Galaxy
The Gate*	PG13	New Century
Hatari!	NR	Paramount
Hunk	PG	Crown Int.
Nightforce	R	Vestron
Radio Days	PG	Orion
Raising Arizona	PG13	20th Century-Fox
Rawhide Rex	R	Vestron
Something Special!	PG13	Cinema Group
Starship	PG	Cinema Group
A Streetcar Named Desire	NR	Worldvision
Welcome To 18	PG13	TMS

Original Programming/Specials

Best of Not Necessarily the News
Countdown to Tyson-Spinks
HBO Behind the Scenes
HBO Comedy Hour Live: George Carlin 'What Am I Doing In New Jersey?'
HBO Showcase: Waldheim: A Commission of Inquiry
Richard Lewis 'I'm Exhausted'
The Survival Series: 'The Wonderful Kangeroo'*
Tanner '88: Child's Play
Tanner '88 Part 7
Wimbledon '88
Wimbledon '88 Highlights
Wimbledon '88 Men's Quarterfinals
Wimbledon '88 Women's Quarterfinals
Wimbledon '88 Women's Semifinals

Highlights

Dirty Dancing**	PG13	Vestron
Harry and the Hendersons	PG	Universal
Roxanne**	PG	Columbia
Superman IV The Quest For Peace*	PG	Warner Bros.
Who's That Girl*	PG	Warner Bros.

Dirty Dancing

(**denotes duplicated and exclusive between Home Box Office and Cinemax)

The Movie Channel

New Movies

All About Eve (B&W)	NR	20th Century-Fox
American Ninja 2*	R	Cannon
Beat Street	PG	Orion
Blood Ties*	NR	Showtime
Body Double	R	Columbia
Brass Target	PG	MGM/UA
China Rose	NR	Viacom
The Driver	PG	20th Century-Fox
Evil Under the Sun	PG	Viacom
Foreign Body*	PG13	Orion
Games	G	Universal
Green Fire	NR	MGM/UA
Hollywood Shuffle	R	Goldwyn
Instant Justice	R	J. Phillips
The Ipcress File	NR	Universal
Moonlight	NR	Universal
Munchies	PG	MGM/UA
Open House	R	Intercontinental
Petticoat Affair	NR	Universal
Spy Who Came In From The Cold	NR	Paramount
Steele Justice*	R	Atlantic
Svengali	NR	Viacom
Wild and Beautiful Ibiza	R	K-Pay
Wild Thing*	PG13	Atlantic

Highlights

The Believers	R	Orion
Harry and the Hendersons	PG	Universal
The Movie Channel's Short Film Showcase	NR	Showtime
Street Smart*	R	Cannon
Summer School*	PG13	Paramount

Harry and the Hendersons

Showtime

New Movies

The Adventures of the American Rabbit*	G	Atlantic
The Barbarians*	R	Cannon
The Believers	R	Orion
Border Incident (B&W)	R	MGM/UA
The Bounty	PG	Orion
Charade	NR	Universal
Dear Lovey Hart, I Am Desperate	NR	J. Phillips
Desk Set	NR	20th Century-Fox
Harry and Son	PG	Orion
Heathcliff: The Movie*	G	Atlantic
In the Good Old Summertime	NR	MGM/UA
It's Not the Size Who Counts	R	J. Brenner
The Last Survivers	NR	Coca-Cola
The Longest Night	NR	Universal
Matt Helm	NR	Coca Cola
Miss Peach: Career Day at the Kelly School	NR	Freemantle
Never Con A Killer	NR	Coca Cola
A Piece of the Action	PG	Warner Bros.
Shenandoah	NR	Universal
Travels With My Aunt	PG	MGM/UA
Trouble River	NR	J. Phillips
When My Father Was Away on Business*	R	Cannon

Original Programming/Specials

Brothers 'Sittin In A Tree'
Celebrity Close-Up
The Jackie Gleason Marathon
The Jackie Gleason Show
It's Garry Shandling's Show
Poison 'Yellow Roses'
Poison 'Bliss' Showtime Championship
Boxing
Showtime Comedy Club Network

Brothers

Highlights

American Ninja 2**	R	Cannon
Harry and the Hendersons**	PG	Universal
Street Smart**	R	Cannon
Summer School**	PG13	Paramount
Summer Heat*	R	Atlantic

(**denotes duplicated and exclusive between Showtime and TMC)

CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	352	6,546,800
Alternate View Network	247	3,000,000
America's Value Network	1,557	6,000,000
Arts & Entertainment (A&E)	2,500	30,000,000
Black Entertainment Television (BET)	1,000	18,500,000
Cable News Network (CNN)	11,823	45,186,000
Cable Value Network	1,700	19,000,000
CBN Cable Network	9,347	40,047,200
C-SPAN	2,900	37,300,000
C-SPAN II	490	14,200,000
Country Music Television	714	7,100,000
The Discovery Channel	2,700	29,400,000
ESPN	19,123	46,200,000
Eternal Word Television Network (EWTN)	427	9,000,000
The Fashion Channel	600	10,100,000
Financial News Network (FNN)	1,920	28,200,000
FNN/Score	1,150	19,800,000
FNN/TelShop	900	11,600,000
GalaVision	300	1,000,000
Headline News	3,801	30,124,000
Home Shopping Network	1,314	15,088,786
Home Shopping Network 2	293	5,350,933
The Inspirational Network (PTL)	930	10,300,000
International Television Network	56	7,868,900
The Learning Channel	930	11,100,000
Liberty Broadcasting Network	42	1,121,718
Lifetime	3,600	37,200,000
Mind Extension University	83	1,200,000
Movietime	60	4,000,000
MTV	4,780	40,300,000
The Nashville Network	6,987	40,217,000
National Jewish Television (NJTV)	295	6,800,000
Nick At Night	3,165	34,600,000
Nickelodeon	5,955	39,000,000
The Nostalgia Channel	185	2,500,000
QVC Network	857	11,800,000
Shop Television Network	100	3,500,000
Silent Network	380	10,300,000
Tempo Television	750	12,000,000
The Travel Channel	300	9,000,000
Trinity Broadcasting Network	523	7,037,000
USA Network	10,100	43,400,000
Video Hits One (VH-1)	1,930	25,700,000
The Weather Channel	3,200	34,300,000
WGN-TV	10,809	24,653,463
WOR-TV	2,293	9,657,482
World Access Television	750	12,000,000
WPIX-TV	617	9,678,474
WTBS-TV	12,715	44,300,000

Pay services

American Exxxtasy	35	25,000
American Movie Classics	1,500	11,000,000
Bravo	350	1,300,000
Cinemax	3,650	5,100,000
The Disney Channel	5,000	3,810,000
Festival	N/A	N/A
Home Box Office (HBO)	6,700	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	600	500,000
Showtime	3,200	5,700,000

Audio services

Cable Radio Network	40	1,310,000
KKGO Super Jazz	16	132,184
Moody Bible Institute	62	935,528
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,576,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	125	1,250,000
WFMT Chicago	169	1,192,726

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	40	2,200,000
DBC/MarketWatch	462	9,200,000
Electronic Program Guide (EPG)	321	6,100,000

Text services	Affiliates	Subscribers
EPG Jr.	161	160,000
EPG Prevue	N/A	2,200,000
Genesis Cable Storytime	39	1,550,000
Reuters News View	127	2,437,000
TV Decisions	177	7,000,000
X*Press Executive	350	4,000,000
X*Press Exchange	350	4,000,000

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Video Entertainment	195	15,000,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,000
Telaction	TBA	TBA
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	180,000
Bay Area Religious Channel (BARC)	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KTVT	415	3,586,270
Life Newsvision	35	50,000
Madison Square Garden	105	2,200,000
Meadows Racing Network	14	600,000
News 12 Long Island	7	500,000
Prime Cable	9	381,938
Prime Ticket	55	2,300,000
SportsVision (Chicago)	50	1,300,000
The Sunshine Network	107	1,500,000

Pay services

Home Sports Entertainment Houston/Dallas	181	645,815
Home Team Sports	114	719,000
New England Sports Network	160	217,884
PRISM-Philadelphia	87	422,329
Pro-Am Sports	140	301,000
SportsChannel (Florida)	10	470,000
SportsChannel (New England)	147	800,000
SportsChannel (New York)	94	1,100,000
Z Channel	17	80,000

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1005, New York, NY 10016.

N/A denotes information not available.

TBA denotes to be announced.

Announced services

Satellite-fed services	Expected launch
ATV:Advertising Television	2nd Quarter 1988
International Cablecasting's CD/8-Digital Music Network	7/88
Kids Information Network	5/88
The Landscape Channel	4th Quarter 1988
Laugh TV	2nd Quarter 1988
Main Street	4th Quarter 1988
Telamerica Broadcast Network	2nd Quarter 1988
Teleworld Network Television	5/88
TNT	10/88
Visions Interface Satellite Network	7/88
Wingtips	2nd Quarter '88

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8/9/88

JUNE 6, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

BLACKOUT RULES RETURN

INTEREST RATES WOUND STOCKS

SUNNY DAYS AT WEATHER CHANNEL

WEAK LEGS ON CABLE-EXPOSED SHOWS

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CableVision

FRONT LINE

Get ready for syndex 12
In a decision that some admitted was milder than was feared, the FCC adopts syndicated exclusivity rules allowing local broadcasters to impose blackouts on duplicated programming contained in distant signals. A one-year transition figures prominently in the decision.

CBS's big Olympic bid 16
Network and cable programmers were scratching their heads last week at what many believed was a generous bid•$243 million—by CBS for the 1992 Winter Olympics in Albertville, France. And many say the arrangement will preclude any cable link to the Games.

Cable stocks retreat 20
Rising interest rates and one analyst's gloomy prediction cause cable stocks to slide an average 5 percent, with some retreating 20 percent or more.

Gerry lands Wometco 21
Cablevision Industries, controlled by Alan Gerry, is acquiring Wometco from the Bass Group in a deal valued at $720 million, or $2,315 per sub. That works out to 12.5 times next year's cash flow.

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PROGRAMMING

Blue skies at TWC 22
It used to be that mere mention of The Weather Channel prompted amused smiles, but now it seems that the Atlanta-based programmers has firmly entrenched itself as the CNN of the umbrella and galoshes crowd. And the profits certainly are there.

Afterlife after cable? 26
There's *Double Dare* and then there's everything else as programmers and syndicators begin testing the strength of shows moving through the cable window into broadcast. Some have legs, but few are winning any races.

LAW AND REGULATION

Must-carry: the survey 52
The FCC and the cable industry aren't getting along famously of late, and the freshest cause of irritation (outside of syndex) is a survey the commission intends to send to operators inquiring into signal carriage and channel repositioning in the post-*Quincey* world. Watch your mail.

Corr *Pompadur* *Leibowitz* *Waller* *Bell*

BUSINESS AND FINANCE

M&A today, part 2 54
The mergers and acquisition business is riskier these days, as a panel of experts warn in the concluding segment of our roundtable. The threat of new technology, new competitors and an uncertain economy make the M&A business a lively place to make a buck.

Cover photo by Candace Drake

COVER STORY

EEO: A dream deferred? 34
The expectations created in 1984 when cable became the first industry with statutory EEO obligations are beginning to cool in light of struggles by minorities and women to gain top positions in the business. Many wonder about cable's commitment to EEO, while others caution that failing to embrace equal opportunity may slow the industry's growth.

BETWEEN THE LINES

In EEO, high hopes meet a cold reality

Without a doubt this issue of *CableVision* will make many readers uncomfortable; some may even become livid after reading the package of reports that make up our inquiry into cable EEO. As one industry executive impatiently said, when asked for advice on how this sensitive subject should be treated, "Why do you have to write about that? No one wants to read about that stuff."

But that seems exactly to be the point. Few seem eager seriously to discuss equal employment opportunities in the cable industry, with the exception of a significant portion of the population which held such high hopes that it finally would be offered an open door into America's mass media.

The other media—print, radio, broadcast TV—were fully mature at the dawning of the civil rights movement. Few opportunities there. But cable was new to the scene, a fresh player with an open mind offering opportunities for minorities and women to grow as the business grew.

And in 1984, the industry made a historic commitment to EEO, becoming the first to accept statutory equal employment opportunity obligations. And the results since then have been encouraging: cable has outpaced broadcast in its percentage of minority and women workers and is within negligible percentage points of mirroring the national labor market.

Given that, why are we raising these questions? First, because recent trends indicate that the rise of minorities into executive capacities is noticeably slowing and in one major category, the top two job titles, the number actually is stagnant. Alarmingly, a number of cable entities are failing to achieve FCC certification as complying with EEO rules and next year could get popped with fines and license forfeitures. Just imagine how that would play out in your local press.

Second, and perhaps of greater significance, is the fact that current EEO guidelines on minority employment are based on 1980 census data. The explosion in the numbers of minorities in this decade is well documented, and will come home to roost on the cable industry when the 1990 census is completed. If you have trouble reaching 50 percent of parity now, just wait a couple of years; it won't get easier.

But as important as those cold numbers and percentages are to the cable business, a more human picture lingers after completing this inquiry, an image of 26 Kaitz fellows judged to be talented and capable of making important contributions who still await job offers. Just imagine their hopes, their expectations, their euphoria at being chosen. Now imagine the silence, the waiting, the sour taste in the mouth of a dream deferred.

The cable industry repeatedly has proven itself capable of adjusting and adapting to challenges. The EEO questions that now are being raised come from individuals who believe it offers great promise. That hope, that eagerness to help it succeed, should not be spurned.

—Steve Tuttle
Editor and Associate Publisher

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June 6, 1988
Volume 12, Number 45

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. June 6, 1988, Volume 12, Number 45. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

CBS raises eyebrows with steep Olympic bid

It's now doubtful cable will get any part of Games

By Wayne Friedman

NEW YORK—The picture is simple, and at the same time confusing. CBS bids $243 million to win the rights to the 1992 Winter Olympics in Albertville, France, while NBC offers $175 million. How can two networks be so far apart? All week long that question came up among programming executives, but no one was sure of the answer. One things appear sure, it's doubtful that cable networks will see any Olympic action come 1992.

Here's the CBS financial equation: Lawrence Tisch, president and CEO of CBS, says inflation will help increase the package's value over the next four years.

He estimates an inflation rate of 4 percent a year over four years, compounded at roughly 20 percent. So in current dollars CBS will spend $66 million less than ABC paid for this year's Calgary Winter Games. The bottom line: "That's about $128 million less than ABC paid for Calgary in 1988," says Tisch. Tisch also notes that the streamlining of CBS, by selling off chunks of non-broadcasting related business, has given the company a $2 billion to $3 billion cash horde, making this bid a limited financial risk. "I think it's going to be profitable for CBS," he says. "At worst, it will be breakeven."

Still, there's that $68 million difference between NBC's and CBS's bids. That prompted Steve Grubbs, senior vice president and director of national television buying BBDO, to comment, "Maybe the other guys underbid." CBS and the International Olympic Committee have suggested that in reality NBC's bid was higher than $175 million because it included a split in revenues with the Albertville Olympic Committee of anything over $325 million in ad revenues.

If that level of revenue were realized, then the rights fees would also increase to a top level of $210 million, if NBC had received the rights to air the games.

For CBS' $243 million offer, Burt Zeldin, vice president/Olympic sales and marketing for NBC, thinks its going to be a bumpy road for CBS to travel. If you add about $100 million in production costs plus other expenses, he roughly calculates that CBS will need to put away $400 million in business to arrive in black ink for the Games.

And considering ABC only wrote up $325 million for the current Calgary games, and lost over $60 million, the advertising environment needs to be very buoyant in four years for CBS to come out ahead.

CBS executives admit that winning the Olympics will be important in its drive to rise out of the ratings cellar. The bid, therefore, was big enough to make sure the games would come their way. One advertising buyer thinks this was a good long-term strategic move on CBS' part. He says more emphasis will be placed on quality special events in the future, such as the Olympics, as network there continue to erode for competing technologies and as affiliates continue to preempt in increasing numbers with non-network syndicated programming.

Paying the Olympic Gold

WINTER OLYMPICS

Year	Network	Location	Rights Fee	Prog. hours
1960	CBS	Squaw Valley, USA	$ 50,000	15
1964	ABC	Innsbruck, Austria	$597,000	17¼
1968	ABC	Grenoble, France	$2.5 mn	27
1972	NBC	Sapporo, Japan	$6.4 mn	37
1976	ABC	Innsbruck, Austria	$10 mn	43½
1980	ABC	Lake Placid, USA	$15.5 mn	53¼
1984	ABC	Sarajevo, Yugoslavia	$91.5 mn	63
1988	ABC	Calgary, Canada	$309 mn	94½
1992	CBS	Albertville, France	$243 mn	100+*

SUMMER OLYMPICS

Year	Network	Location	Rights Fee	Prog. hours
1960	CBS	Rome, Italy	$394,000	20
1964	NBC	Tokyo, Japan	$1.5 mn	14
1968	ABC	Mexico City, Mexico	$4.5 mn	43¾
1972	ABC	Munich, W. Germany	$7.5 mn	62¾
1976	ABC	Montreal, Canada	$25 mn	76½
1980	NBC	Moscow, USSR (planned)	$87 mn	150
1984	ABC	Los Angeles, USA	$225 mn	180
1988	NBC	Seoul, South Korea	$300 mn	179½

*estimate

From an economic standpoint, this doesn't spell good news for a cable network getting a piece of Olympic action in 1992. Neal Pilson, president of CBS Sports, says the bid wasn't predicated on selling off some of the events to cable to make economic ends meet.

Pilson noted, however, that he had some discussions with cable networks before the International Olympic Committee decision.

All this leads to the question, does CBS remotely need cable to make the Olympics work? "Absolutely not," says Seth Abraham, senior vice president of programming operations and sports for HBO.

But at the same time, he says, "It's very hard to say what the advertising scene will be like in 1992," which could bring cable back in the picture. Abraham also agrees with Pilson's assessment that, compared with the summer Games, only a handful of winter events really bring in the American viewer. Those include figure skating, skiing, hockey and speed skating.

There is a broader industry question of cable-broadcast collaboration. Finding synergy between a broadcasting network and cable programmer in airing the same event can be difficult. Abraham cites production run-ins in past years with NBC when HBO was producing its early-round coverage of the Wimbledon tennis event.

In addition, when ABC originally was planning the Calgary Olympics coverage, $50 million worth of its entire package was to be budgeted to its cable network, ESPN. According to Jim Spence, a former senior vice president of ABC Sports, it didn't work out because of the limited number of events.

At the same time, he says, NBC continues to mull over Turner Broadcasting's bid to air 70 hours of Olympic coverage over WTBS or Turner Network Television. ■

PROGRAMMING/**Pay-Per-View Supply Chart**

June **Source**

Apprentice To Murder (6/16) **HBO Enterprises**
MPAA Rating: PG13 Running Time: 95 mins.
Cast: Donald Sutherland, Chad Lowe.

Baby Boom (6/16) **MGM/UA**
MPAA Rating: PG Running Time: 110 mins.
Cast: Diane Keaton, Harold Ramis, Sam Wanamaker.

Can't Buy Me Love (6/16) **Touchstone**
MPAA Rating: PG13 Running Time: 94.11 mins.
Cast: Patrick Dempsey, Amanda Peterson.

High Tide (6/18) **HBO Enterprises**
MPAA Rating: PG13 Running Time: 104 mins.
Cast: Judy Davis, Jan Adale.

House of Games (6/1) **Orion**
MPAA Rating: R Running Time: 102 mins.
Cast: Lindsey Crouse, Joseph Mantegna.

The Killing Time (6/16) **HBO Enterprises**
MPAA Rating: R Running Time: 96 mins.
Cast: Beau Bridges, Keifer Sutherland.

Like Father Like Son (6/23) **Tri-Star**
MPAA Rating: PG13 Running Time: 97 mins.
Cast: Kirk Cameron, Dudley Moore, Margaret Cohn.

A Prayer For The Dying (6/1) **Samuel Goldwyn**
MPAA Rating: R Running Time: 107 mins.
Cast: Mickey Rourke, Allan Bates, Bob Hoskins.

The Princess Bride (6/1) **20th Century-Fox**
MPAA Rating: PG Running Time: 98 mins.
Cast: Carey Elwes, Robin Wright, Carol Kane, Billy Crystal.

The Principle (6/1) **Tri-Star**
MPAA Rating: R Running Time: 108.05 mins.
Cast: Louis Gossett Jr., James Belushi.

Positive I.D. (6/23) **Universal**
MPAA Rating: R Running Time: 96 mins.
Cast: Stephanie Rascoe, John Davies, Steve Fromholz.

Running Man (6/24) **HBO Enterprises**
MPAA Rating: R Running Time: 100 mins.
Cast: Arnold Schwarzenegger, Richard Dawson.

Steel Dawn (6/11) **Vestron**
MPAA Rating: R Running Time: 101 mins.
Cast: Patrick Swayze.

Taffin (6/28) **MGM/UA**
MPAA Rating: R Running Time: 96 mins.
Cast: Pierce Brosnan, Ray McAnally, Alison Doody.

The Witches of Eastwick (6/8) **Warner Bros.**
MPAA Rating: R Running Time: * mins.
Cast: Jack Nicholson, Cher, Susan Sarandon.

July **Source**

Biggles-The Adventures in Time (7/1) **New Century/Vista**
MPAA Rating: PG Running Time: 87.51 mins.
Cast: Alex Hide-White, Fiona Hutchinson, Peter Cushing.

Hello Again (7/21) **Touchstone**
MPAA Rating: PG Running Time: 96 mins.
Cast: Shelley Long, Courbin Benson, Judith Ivey.

Hope and Glory (7/1) **Columbia**
MPAA Rating: PG13 Running Time: 113 mins.
Cast: Sarah Miles, David Hayman, Derrick O'Conner.

Ironweed (7/22) **HBO Enterprises**
MPAA Rating: R Running Time: 120 mins.
Cast: Jack Nicholson, Meryl Streep.

Leonard Part 6 (7/15) **Columbia**
MPAA Rating: PG Running Time: 83 mins.
Cast: Bill Cosby, Tom Courtney, Gloria Foster.

Nuts (7/27) **Warner Bros.**
MPAA Rating: R Running Time: 116 mins.
Cast: Barbara Streisand, Richard Dreyfuss, Maureen Stapleton.

Orphans (7/1) **Lorimar**
MPAA Rating: R Running Time: 115 mins.
Cast: Albert Finney, Mathew Modine, Kevin Anderson.

Overboard (7/1) **MGM/UA**
MPAA Rating: PG Running Time: 112 mins.
Cast: Goldie Hawn, Kurt Russell, Edward Herrmann.

Rent A Cop (7/1) **HBO Enterprises**
MPAA Rating: R Running Time: 110 mins.
Cast: Burt Reynolds, Liza Minelli.

Siesta (7/14) **Lorimar**
MPAA Rating: R Running Time: 97 mins.
Cast: Ellen Barkin, Isabelle Rossellini, Gabriel Bryne.

The Underachievers (7/22) **Vestron**
MPAA Rating: NR Running Time: 91 mins.
Cast: Edward Albert, Barbara Carrera, Lee Arenberg.

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events 24 hours per day, ap prox. 50 titles per month	Available in systems serving 1,000,000 addressable subscribers)
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	First-run movies, special events.	Available in systems serving 2,400,000 subs. (1.2 million addressable).
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	Available in systems serving 1,000,000 addressable subscribers
Request Television	November 27, 1985	Galaxy I, tr. 12	VideoCipher II	Min. of four major motion pictures per week over 14 day cycle, special events	Available in systems serving 4 million subs. (2.8 million addressable)
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Channels I & II: First-run movies, special events	Available in systems serving over 3 million subs.
Zap! Movies	June 5, 1986	*Spacenet II, tr.1,3,11,23*	*VideoCipher II*	Channel 1: 2 movies per week, the newest and top-selling. Channel 2: Cult favorites, and top of the charts video store sellers. Channel 3: Additional plays of movies on 1 & 2 (frequency channel).	Available in systems serving 160,000 subs.(60,000 addressable).

Corporate America's color line

1990 census looms as industry struggles to meet current guidelines

By Craig Kuhl

DENVER—Minorities and women seeking job opportunities in the cable industry believe they are not getting the fair shake promised by the Cable Act, which calls for "vigorous enforcement of its policy of equal opportunity." And the consequences to the cable industry could be damaging, according to interested parties and the Federal Communications Commission.

Several MSO employee units have been found in non-compliance with EEO guidelines by the FCC for the last two years. A third year of non-compliance in 1988, under the terms of the Cable Act, could bring fines of $200 a day and possible suspension of cable auxiliary relay service licenses. Those fines and license suspensions would continue until the FCC determines that the company is making a genuine effort to comply with EEO provisions. Those determinations likely would not be made by the FCC until mid 1989.

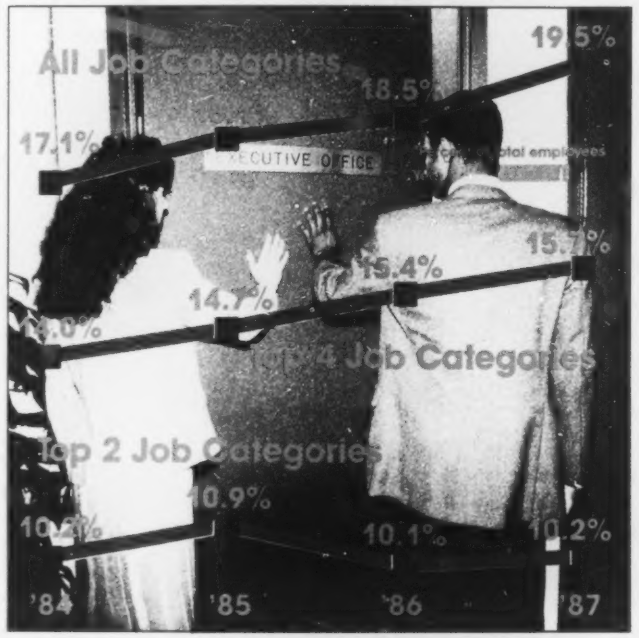
In the past year just six Kaitz fellows have been placed out of 32 eligible.

But many believe the industry would suffer far more from adverse publicity and diminished community good will than from the payment of fines or forfeitures.

Beyond the statutory requirements for equal opportunity, however, lies a deeper, more complex issue. It now is being widely asked just how genuine the cable industry is in hiring and promoting minorities and women. Industry sources suggest that most companies are more interested in simply staying out of trouble; few companies seem to be seriously embracing the concept of equal employment opportunity, practiced on a continuing basis.

To comply with EEO regulations, cable employee units (which include corporations, partnerships, associations, joint-stock companies or trusts) with six or more employees are reviewed according to the relative available minority work force at their base of operations. This available work force is based on the 1980 census. In 1990 a new census will be completed, and will reflect the explosive growth among

See **EEO**, *page 42*



Warily watching minority numbers

By John Wolfe

WASHINGTON—Despite legitimate gains during the past two years, the cable industry's minority hiring and recruitment efforts can and should be improved, according to congressional leaders, regulatory officials and EEO advocates.

Cable leaders note that the industry's employment of minorities is comparable to the national average, and has increased steadily since 1984. But they, too, acknowledge that the industry must do more to identify, train and provide opportunities for qualified women and minority employees.

90 cable units were found not to be in compliance with the Cable Act's EEO provisions.

"We recognize as an industry that we do have moral as well as legal obligations, and we take them seriously," National Cable Television Association President James Mooney told the House telecommunications subcommittee recently. "Your comments aren't just rolling off our backs," he told the concerned legislators.

Cable is the only communications industry with codified EEO obligations, the result of a compromise written into the 1984 Cable Act which requires cable companies to establish active EEO programs. In addition, systems with six or more full-time employees must file annual reports with the Federal Communications Commission, listing the race and sex of employees in nine job categories.

The law requires the FCC to certify annually that each cable system is in compliance with the Cable Act's EEO provisions, and instructs the commission to investigate the employment practices of each system at least once every five years. If a cable system is denied certification three times during any seven-year period, the Cable Act authorizes the FCC to impose fines and possibly suspend the operator's cable auxiliary relay service licenses.

The FCC officially amended its EEO rules to conform with the Cable Act in September 1985, announcing that it would use its "existing processing guidelines"—requiring employment of women and minorities at 50 percent of

See **Congress**, *page 44*

Cable EEO: A dream deferred?

By Virginia Munger Kahn

NEW YORK—All one has to do is look around the banquet hall at any Kaitz Foundation dinner for subjective evidence of the cable industry's record for recruiting and promoting senior black executives. Among the more than 800 high-level executives at the most recent dinner here, the number of blacks in attendance who were not Kaitz fellows probably could be counted on two hands.

"The cable industry has a deplorable record," said one senior executive. Noted another: "The cable industry has not been a place where blacks have been able to rise to significant positions."

Only one black heads a Fortune 1,000 company.

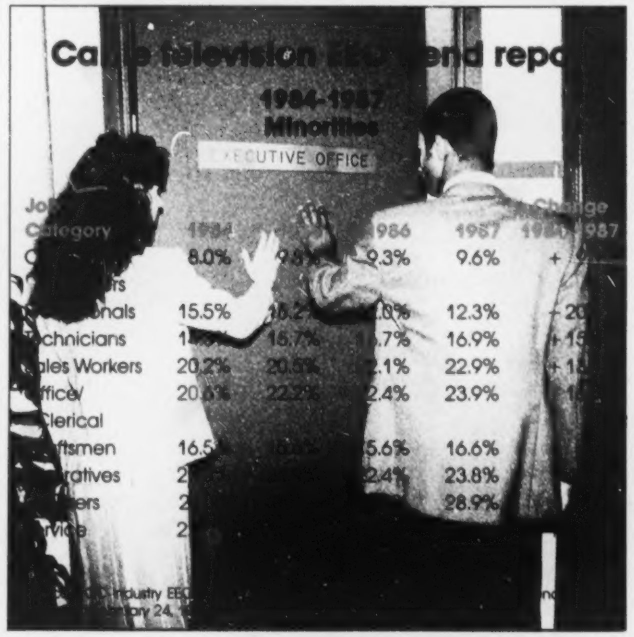
But it's not oniy the the cable industry that has this problem. As a high-level educational study commission, whose members included former presidents Ford and Carter, reported in Washington last week, minorities face what seem to be mounting barriers in getting hired and promoted across corporate America. Only one black heads a Fortune 1,000 company, and the closest blacks have come to the top job at a Fortune 500 company is one man—Jerry Williams, who is president of AM International and next in line to be chairman.

The results seem particularly discouraging in light of the 20 years that have passed since the civil rights movement. Within the cable business, the last six to eight years have seen the industry blossom, opening many new opportunities for young, aspiring managers, and yet the number of blacks who have risen into top posts with the expansion of the business has been proportionately small.

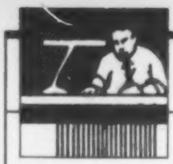
Executives within the industry cite a number of factors for this, but at bottom many reasons translate into a perceived institutional racism, which means anything from out-and-out discrimination to a *laissez faire* attitude toward minority hiring and promotion.

"It just hasn't been a management priority," says Gayle Greer, a 10-year veteran of the business who now is vice president for central operations at American Television and Communications. "It's not maliciously exclusive. It's just not important," she says.

Part of the problem is that many senior executives rarely come into contact with blacks at a high level. They don't



See **Executives**, *page 40*



Executives, *from page 35*

have the opportunity to become acquainted with potential candidates for promotion and that lack of knowledge breeds uncertainty and misunderstanding.

"It's convenient to exclude," says one executive, echoing the sentiments of others. Due to an apparent lack of understanding and the persistence of stereotypes, particularly about black males, he believes white executives feel threatened by upwardly mobile black men.

Michael Sims, senior vice president for operations at Warner Cable, notes that promotions represent a substantial degree of career risk to the person doing the promoting. Elevating a black man or woman to a senior position adds still another element of volatility—the perception that the promotion is intended to "make a social statement."

In an effort to minimize the perceived risk, minority executives who have made it say a critical element in their career advancement has been to take only those jobs with direct responsibility for profits and losses. "I have always told my bosses that I want to be in a position to win a million dollars or lose a million dollars for them," says Sims. "There's more risk in line positions," he says, but the rewards are there also.

But even then, black executives say they have been passed over for promotions as candidates who are no more qualified have been moved ahead of them or hired from the outside. The concept that one needs direct experience before promotion is a double-standard when it comes to blacks and women, Greer contends. "A lot of men without line experience get put into those (upper level) positions," she says. "There is a willingness to take the risk" when it comes to white males that is not apparent with blacks and women, Greer notes.

In addition, say these sources, even getting line jobs as opposed to staff positions is difficult. Nate Garner, former general manager of the Paragon Cable systems in Manhattan and a six-year veteran of the industry, says it is common for headhunters to call looking for blacks to fill human resources positions or public relations slots, but rarely does he receive an opportunity to go after a director of operations job.

"There is not an inclination for people to have blacks go into jobs where they need to depend on them for success or failure," he says.

While most executives say they rarely see overt racism in their day-to-day dealing with other people, the real problem arises when it comes to hiring and promotion. It is there that discrimination, even unintentionally, has its best opportunity to effect decisions. One executive notes that many people believe they really are hiring the best candidate.

What they do not realize is that often they approach the decision from a frame of reference that excludes people who are different.

At least one executive said he could cite several examples of qualified blacks being denied promotions they deserved. He pointed to Garner specifically, noting that he ran the Paragon system for nine months before he got the title of acting general manager.

Another senior executive recently was passed over for division president after having served as a vice president of operations for several years.

Garner himself, who professes a continuing admiration for the company that used to employ him, says he had viewed that job as a natural extension of his experience. "It was a line opportunity I wanted and I worked hard for it."

But as one executive put it, "you can always point to a variety of other factors" why that promotion did not come through, but the bottom line is that someone who was qualified did not get the nod.

Ironically, the parent of the company Garner worked for, Time Inc., is considered among the more sensitive companies in the industry to minority concerns. Some executives observed that large corporations that moved into cable after they had been operating for several years have a better record on minorities than those MSOs that have grown into today's large companies. Time, Warner Communications and Westinghouse, which is no longer in the business, have had to comply with government EEO regulations longer than many of today's new giants.

Yet even there executive caution the record is nothing to write home about. "It's comparing companies that are doing nothing with companies that are doing something... the comparisons are so narrow" said Greer.

What will change the situation is pressure by people, the government and the media, these executives say. One of the key problems, and therefore one of the solutions, is the continuing existence of the old-boy network. The more black executives move into high-level positions with the authority to hire people, the more such a network can begin to work for them.

Several black executives said they make a conscious effort to bring qualified, young blacks into their organizations. Stan Thomas, senior vice president for affiliate relations at HBO, credits colleague Donald Anderson for bringing him in and for attracting other black executives to the company.

Thomas also stresses the importance of having leadership at the top of the company committed to the effort, and he points to Nick Nicholas, Time Inc.'s president and chief executive officer, as playing a significant role in attracting top-level black executives to Time.

Senior executives also continue to support the efforts of organizations such as the Walter Kaitz Foundation and the National Association of Minorities in Cable as key tools for network building and active recruitment of minorities.

But the bottom line change that must happen before any of these other factors can really leapfrog the statistics on minority advancement is that the leadership of the industry itself must commit itself to the issue.

ATC's Greer calls it a "paradigm shift" in the workplace, in which the model that companies strive to emulate is that of a multi-cultural work environment.

As several executives note, the cable industry has shown that once it sets its mind to something, it achieves it, whether it's getting the NFL, keeping Ted Turner in cable's hands or getting the Cable Act passed.

That same level of effort has yet to be expended on the issue of black participation in the industry at its highes levels, they say. ■

Satellite Lineup

Satcom III-R (GE Americom)	**Transponder**
Arts & Entertainment	24
BET	20
Cable Radio Network	4
Cinemax (West)	23
ESPN (Blackout)	7
The Fashion Channel	1
Financial News Network	4
Genesis Storytime	3
HBO (West)	13
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
National Jewish Television	18
QVC Network	8
Reuter Monitor Service	18
Shop Television Network	5
Tempo Sound	6
Tempo Television	6
The Travel Channel	16
Trinity Broadcasting Network	3
TV Decisions	24
USA Network (West)	10

Satcom IV (GE Americom)	**Transponder**
Alternate View Network	10
American Movie Classics	10
America's Value Network	5
Biznet	6
Bravo	2
Family Guide Network	24
The Fashion Channel	14
Gospel Music Network	3
Hit Video USA	18
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Liberty Broadcasting Network	7
Madison Square Garden Family Network	6
Movietime	17
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	24
Playboy On Demand	24
Prime Ticket	20
The Silent Network	23V
SportsChannel-New England	23
SportsVision	9
WPIX—New York	19

Satcom F2 (GE Americom)	**Transponder**
WABC	4
WCBS	2
WNBC	12

Satcom F4 (GE Americom)	**Transponder**
KTVT (Dallas/Ft.Worth)	3

Westar III (Western Union)	**Transponder**
CNN	5

Westar IV (Western Union)	**Transponder**
Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
National Christian Network	2
International Television Network	10D
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2

Westar V (Western Union)	**Transponder**
Moody Broadcasting Network	7D
Pro-Am Sports System (PASS)	8
The University Network	2
Zephyr Weather Information Service	7D

Telstar 303 (AT&T)	**Transponder**
American Exxxtasy	19

Galaxy I (Hughes)	**Transponder**
CBN Cable Network	11
Cinemax (East)	19
CNN	7
Country Music Television	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
Electra	18
ESPN	9
Galavision	20
HBO (East)	1,23
Headline News	8
The Inspirational Network (PTL)	17
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
Prevue Guide	3
Request Television	12
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
Showtime (West)	16
Univision	6
USA Network (East, Central)	21
WGN	3
WWOR	15
WTBS	18

Galaxy III	**Transponder**
ACTS Satellite Service	7
Cable Value Network	9
Cable Video Store	5
C-SPAN	24V
C-SPAN II	14V
Eternal Word Television Network	10
Galactic Radio	11
Home Premiere Television	16
Lifetime	20
The Meadowlands Racing Network	17
Mind Extension University	11
MTV	17
Nick At Night	19
Nickelodeon	19
NuStar	12
Video Hits One (VH1)	15
Viewer's Choice 1+2	21,18
The Weather Channel	13

Spacenet I (GTE)	**Transponder**
SelecTV	2

Spacenet II (GTE)	**Transponder**
SelecTV	5
Zap! Movies 1,2,3.	2,1,12
ZaPreviews	6

Note: A company name in parentheses following a service or network designates the transponder owner. Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,200,000	(12/87)
2.	American Television and Communications Corp.	3,780,000	(5/88)
3.	Continental Cablevision	2,184,000	(3/88)
4.	Storer Cable Communications	1,480,000	(3/88)
5.	Cox Cable Communications	1,441,849	(3/88)
6.	Warner Cable Communications Inc.	1,405,349	(12/87)
7.	Comcast	1,342,500	(1/88)
8.	United Cable	1,198,370	(4/88)
9.	Newhouse Broadcasting	1,080,789	(12/87)
10.	Viacom Cablevision	1,068,436	(2/88)
11.	Cablevision Systems Corp.	1,052,207	(4/88)
12.	Heritage Communications Inc.	1,049,736	(4/88)
13.	Jones Intercable	1,012,602	(4/88)
14.	Times Mirror Cable Television Inc.	933,541	(4/88)
15.	Sammons Communications Inc.	827,652	(2/88)
16.	UA Cablesystems Corp.	814,288	(4/88)
17.	Century Communications Corp.	680,400	(3/87)
18.	Paragon Communications	677,000	(4/88)
19.	Cooke Cablevision	618,042	(3/88)
20.	Cablevision Industries	596,081	(4/88)
21.	Adelphia Communications	594,315	(3/88)
22.	Telecable Corp.	533,196	(3/88)
23.	Rogers Cablesystems Inc.	529,708	(12/87)
24.	Centel Cable	524,859	(1/88)
25.	Daniels & Associates	521,713	(3/88)
26.	Scripps-Howard	430,990	(12/87)
27.	Wometco Cable TV Inc.	429,662	(5/88)
28.	Post-Newsweek	390,579	(4/88)
29.	Prime Cable Corp.	381,938	(3/88)
30.	Multivision Cable	381,398	(3/88)
31.	Falcon Cable TV	343,000	(2/88)
32.	TCA Group	337,999	(1/88)
33.	Lenfest Group	327,378	(4/88)
34.	Multimedia Cablevision	313,167	(4/88)
35.	Maclean Hunter Cable TV Ltd.	309,318	(2/88)
36.	Tele-Media	300,384	(3/88)
37.	WestMarc Communications	267,353	(3/88)
38.	Rifkin & Associates	260,000	(10/87)
39.	Colony Communications Inc.	258,830	(4/88)
40.	Western Communications	250,019	(3/88)
41.	TKR Cable Co.	246,624	(4/88)
42.	Simmons Communications	229,738	(4/88)
43.	Communications Service Inc.	225,000	(4/88)
44.	Star Cablevision Group	224,471	(3/88)
45.	Cencom Cable	221,896	(4/88)
46.	Service Electric Cable TV Inc.	205,000	(11/87)
47.	Hauser Communications Inc.	196,000	(2/88)
48.	Taft Cablepartners.	194,463	(1/88)
49.	Greater Media	163,924	(4/88)
50.	Media General Inc.	163,000	(2/88)
51.	Columbia International	161,243	(4/88)
52.	Harron Communications	158,982	(1/88)
53.	Sutton Capital Corp.	152,053	(11/87)
54.	Palmer Communications	146,411	(4/88)
55.	Armstrong Utilities	143,807	(2/88)
56.	McDonald Group	142,548	(4/87)
57.	U.S. Cable Corp.	142,126	(3/88)
58.	Cable Systems USA	129,078	(4/88)
59.	Summit Communications	128,498	(4/88)
60.	King Videocable	116,086	(5/88)
61.	Northland Communications	115,226	(4/88)
62.	Bresnan Communications Co.	115,018	(2/88)
63.	Harte-Hanks Communications	113,344	(12/87)
64.	Sonic Communications	111,585	(8/87)
65.	Booth Communications	110,207	(5/88)
66.	Susquehanna Broadcasting	108,034	(4/88)
67.	Midcontinent Cable Systems Co.	96,789	(4/88)
68.	Omega Communications	90,500	(3/88)
69.	WEHCO Video	89,078	(12/87)
70.	United Video Management	86,341	(12/87)
71.	Pencor Services	85,264	(1/88)
72.	Coaxial Communications	84,859	(9/87)
73.	Selkirk Communications	72,800	(4/88)
74.	Enstar Communications	70,097	(4/88)
75.	Rock Associates	67,802	(5/88)
76.	Chambers Communications Corp.	61,471	(12/87)
77.	Mountain Cable Co.	59,746	(1/88)
78.	Insight Communications	58,964	(1/88)
79.	Cardinal Communications	57,724	(5/88)
80.	Hearst Communications of California	55,122	(4/88)
81.	Joseph Gans Cable TV	52,000	(4/88)
82.	State Cable TV	51,939	(3/88)
83.	C-TEC Cable Systems	51,365	(4/88)
84.	Douglas Communications	50,741	(3/88)
85.	Dowden Communications	50,224	(3/88)
86.	Helicon Corp.	50,000	(3/88)
87.	Galaxy Cablevision	48,500	(4/88)
88.	Bachow and Elkin Communications	48,459	(2/88)
89.	Prestige Cable TV, Inc.	48,434	(5/88)
90.	New England Cablevision	47,021	(4/88)
91.	Telesat Cablevision, Inc.	46,930	(3/88)
92.	Donrey Media Group	45,869	(4/88)
93.	Leonard Communications	44,000	(2/88)
94.	CableAmerica	42,337	(5/88)
95.	CableSouth, Inc.	40,600	(2/88)
96.	Acton Corp.	38,500	(10/87)
97.	Countryside Cable	35,000	(2/88)
98.	ParCable	33,379	(4/88)
99.	Mickelson Media, Inc.	29,876	(3/88)
100.	Harmon Cable Communications	29,202	(3/88)

Subscriber counts are provided by MSOs and systems to CableVision. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to CableVision, Attn: Candace Drake, Cable Stats, 432 Park Ave. S., Ste. 1005, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	300,000	(5/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	245,000	(3/88)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	Puget Sound, WA	Viacom	199,800	(3/88)
6.	East Orange, NJ	Maclean Hunter	198,412	(2/88)
7.	Honolulu, HI	ATC	194,000	(3/88)
8.	Portland, OR	Rogers	187,442	(2/88)
9.	Houston, TX	Warner Cable	185,700	(3/88)
10.	Phoenix, AZ	Times Mirror	184,921	(12/87)
11.	Hartford Plainville Vernon, CT	United Cable	175,300	(4/88)
12.	Chicago (suburbs)	Continental	168,000	(4/88)
13.	Wayne, NJ	UA Cablesystems	164,648	(4/88)
14.	Louisville/Jeff. Co., KY	Storer Communications	161,830	(3/88)
15.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
16.	Cincinnati, OH	Warner	157,332	(12/87)
17.	Englewood, CO	United	157,204	(4/88)
18.	Rochester, NY	ATC	156,000	(3/88)
19.	Atlanta, GA	Prime Cable Corp.	153,557	(3/88)
20.	Tulsa, OK	United	152,127	(4/88)
21.	Fairfax, VA	Media General	152,000	(2/88)
22.	Jacksonville, FL	Continental Cablevision	147,000	(3/88)
23.	Cherry Hills, NJ	NYT	145,075	(7/87)
24.	Connecticut Complex	Cablevision Co.	144,529	(4/88)
25.	Orlando,FL	ATC	143,500	(6/87)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
28.	Manhattan, NY	Paragon Cable	132,000	(1/88)
29.	San Jose/Campbell, CA	Gill Cable	131,600	(1/88)
30.	Baltimore County, MD	Comcast	130,000	(10/87)
31.	Charlotte, NC	ATC	128,000	(3/88)
32.	St. Louis Co., MO	Cencom Cable	126,390	(4/88)
33.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
34.	Pompano, FL	Continental	122,000	(3/88)
35.	San Diego, CA	ATC	121,000	(3/88)
36.	Long Island, NY	Viacom	120,700	(3/88)
37.	San Francisco, CA	Viacom	119,300	(3/88)
38.	Austin, TX	ATC	119,000	(3/88)
39.	Seattle, WA	TCI	112,500	(12/87)
40.	Warren, NJ	TKR	109,854	(2/88)
41.	Toledo, OH	Blade Communications	105,470	(10/87)
42.	San Juan, PR	Multivision Cable	104,757	(12/86)
43.	Wilmington, DE	Heritage	102,754	(4/88)
44.	Grand Rapids, MI	UA Cablesystems	102,556	(4/88)
45.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
46.	Dallas, TX	Heritage	101,470	(4/88)
47.	Southeast Michigan	Comcast	100,031	(10/87)
48.	Raleigh/Durham, N.C.	ATC	98,000	(3/88)
49.	Dade/Broward, FL	Storer	95,821	(3/88)
50.	Escondido, CA	Times Mirror	95,374	(12/87)
51.	Richmond, VA	Continental	94,584	(4/88)
52.	Tacoma, WA	Viacom	94,200	(3/88)
53.	Pinellas County, FL	Vision Cable	93,920	(9/87)
54.	Indianapolis, IN	Comcast	92,000	(10/87)
55.	Boston, MA	Cablevision Co.	91,558	(4/88)
56.	Pittsburgh, PA	TCI	91,000	(12/87)
57.	Jackson MS/Monroe LA	ATC	89,000	(3/88)
58.	Nashville, TN	Viacom	88,400	(3/88)
59.	Worcester Complex, MA	Greater Media	88,349	(4/88)
60.	Greensboro, NC	ATC	86,000	(3/88)
61.	Naples, FL	Palmer Communications	85,860	(4/88)
62.	Las Vegas, NV	Prime Cable	85,344	(3/88)
63.	Wichita, KS	Multimedia Cablevision	84,831	(4/88)
64.	Orange County, CA	Times Mirror	83,504	(12/87)
65.	Harrisburg, PA	Sammons Communications	82,179	(2/88)
66.	South Bend, IN	Heritage	80,599	(4/88)
67.	New Orleans, LA	Cox Cable	80,348	(3/88)
68.	Oakland County, MI	United	80,210	(4/88)
69.	Dover, Morristown, NJ	Sammons	80,209	(2/88)
70.	Milwaukee, WI	Warner	80,000	(9/87)
71.	Baton Rouge, LA	Daniels & Assocs.	79,486	(3/88)
72.	South Texas, TX	Heritage	78,723	(4/88)
73.	Indianapolis,IN	ATC	78,000	(3/88)
74.	Albuquerque, NM	Jones Intercable	77,300	(2/88)
75.	Akron, OH	Warner	77,202	(12/87)
76.	Columbus, OH	Warner	75,774	(12/87)
77.	Cleveland Heights, OH	Viacom	75,200	(3/88)
78.	Allentown, PA	Service Electric	75,000	(9/87)
79.	Flint, MI	Comcast	75,000	(10/87)
80.	Hillsborough, FL	Paragon	75,000	(1/88)
81.	St. Petersburg, FL	Paragon	75,000	(1/88)
82.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
83.	Medford Complex (Boston Suburbs), MA	Warner	74,043	(12/87)
84.	Fayetteville, NC	ATC	74,000	(3/88)
85.	Providence/Warwick, RI	Times Mirror	73,415	(12/87)
86.	Omaha, NE	Cox Cable	73,361	(3/88)
87.	Ocean County, NJ	Adelphia	72,355	(3/88)
88.	Contra Costa Co. CA	Televents	72,252	(10/87)
89.	Tucson, AZ	Cooke Cablevision	71,234	(3/88)
90.	Lincoln, RI	Heritage	71,197	(4/88)
91.	El Paso, TX	Paragon	71,000	(1/88)
92.	Little Rock, AR	Storer	71,000	(3/88)
93.	Des Moines, IA	Heritage	70,531	(4/88)
94.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
95.	Santa Monica, CA	Century	69,900	(12/86)
96.	Birmingham, AL	ATC	69,000	(3/88)
97.	Madison, WI	TCI	68,000	(12/87)
98.	W.San Fernando Valley, CA	Cablevision Industries	67,870	(4/88)
99.	Winston-Salem, N.C.	Summit Communications	67,844	(4/88)
100.	New Haven, CT	Storer	67,584	(3/88)

NOTE

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PUBLICATION HAVE BEEN FILMED

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8/9/88

JUNE 20, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

MYHREN OUT IN ATC MOVE

STATIONS STUDYING SYNDEX

SIGNIFICANT GAINS IN FIBER

SELLING LOCAL POLITICAL ADS

PAPERS ASSESS CABLE HOLDINGS

CLI'S TICKING BOMB: ENGINEERS RUSH TO COMPLY

CableVision

FRONT LINE

Time moves ATC 12
Citing a need to more closely coordinate affairs with its cable unit, Time Inc. relocates top management of ATC to New York, prompting Chairman Trygve Myhren to opt out.

Telco bidding for Rogers? 18
Initial bids are in on Rogers' U.S. cable properties, and rumors are rife that a telco is among the interested parties. Fingers are being pointed at Pacific Telesis in a venture with United Artists Communications.

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MANAGEMENT

Getting frank with fiber 34
It now appears that the cable industry will be able to exploit fiber optics on its own terms, as rapid technological gains allow engineers to determine the right application for the right price. But the telcos still are breathing down the industry's neck.

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With a little education and a lot of elbow-grease, selling local political ads can be easier and certainly more rewarding, writes the general manager of a larger regional interconnect.

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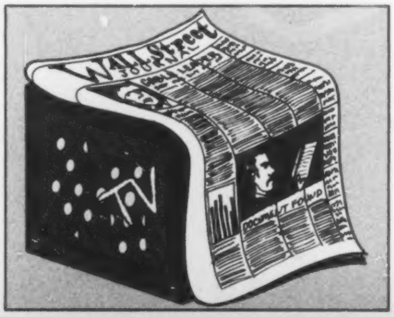
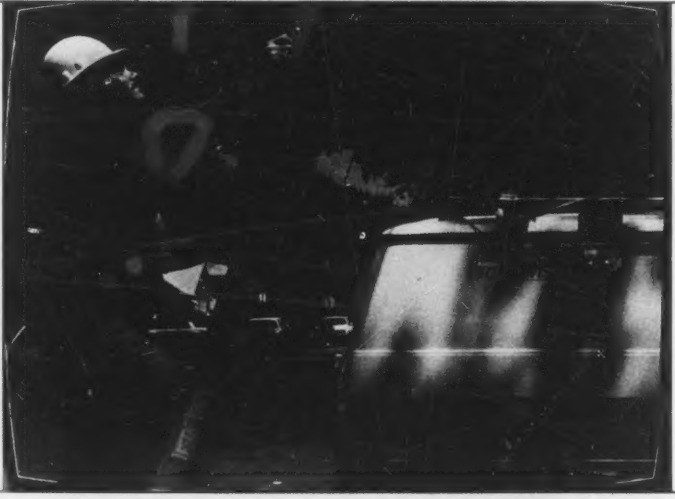
Legislators are feeling the heat from constituents unhappy with rising monthly cable bills, warns the powerful chairman of the House Commerce Committee. Big John's bottom line: watch your step.



BUSINESS AND FINANCE

Papers happy in cable 56
Having gotten into the business for what turned out to be all the wrong reasons (i.e., videotex), one might think that major newspaper chains now would be anxious to move on to other things. But in reality the big chains remain quietly happy with their cable holdings and seem here to stay.



Tom Simendinger, field engineer for Cablevision Systems, checking for signal leakage in Woodbury, Long Island, the nation's largest cable system.
—Photo by Candace Drake

COVER STORY

Stop those leaks 42
1990 seemed so far away back in the early '80s, when the FCC ordered the cable industry to tighten up its leaking systems or risk losing use of aeronautical frequencies. Now the deadline looms closer and not many are in shape to meet the CLI requirements, which promises to be a major topic at this week's SCTE show.

BETWEEN THE LINES

Congress isn't toying with regulating TV

While it doesn't directly apply to cable, the Children's Television Act should be seen by the industry in the larger context of what the measure says about the current mood of Congress toward television. And that mood is anything but pleasant and forgiving.

That roughly four of every five members of the House of Representatives who cast votes felt that renewing a broadcaster's license should depend on whether the station provided educational and informational programming for children is abundant evidence that Washington's laissez-faire attitude toward the medium has ended. Mark Fowler's toaster-with-pictures ideology is dead; the public interest mandate has been given new life and can only grow stronger.

Sensing that it was up against a mom-and-apple pie issue, the National Association of Broadcasters did not oppose the bill, which passed by a margin of 328-78 and likely will sail through the Senate, after eliminating from it a provision mandating a daily hour of children's programming. A year ago, when it loudly was defending broadcasters' First Amendment rights, the NAB probably would have put up a fight. The broadcasters seem to be coming around to the view that acquiescing to a little regulation can be a good thing, especially when doing so improves chances for gaining a counter-balancing victory, in this case must-carry and other hedges against cable.

The Children's Television Act also offers an object lesson in trade association issues management, which is that often the battle is lost as soon as Congress becomes involved. Lobbying Members to oppose children's television is a difficult task. The same can be said of many cable issues, an understanding that has prevented undue rigidity from creeping into the spine of the National Cable Television Association.

At bottom the legislation is a frontal assault on the deregulation of television that has occurred during the Reagan Administration. License renewal, once a convoluted procedure that supported an entire class of Washington lawyers, was reduced to mailing in a post card. As the pendulum swings back toward greater regulation, it seems inevitable that the cable industry will be exposed to increasing assaults on deregulation.

And it could be that merely a suspicion that cable could be nicked by that swinging pendulum will affect the business. Would buyers and investers be as willing to pay the high prices that systems now command if they fear new restraints on pricing, packaging and the ability to select a channel lineup free of government intervention?

—Steve Tuttle
Editor and Associate Publisher

CableVision

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June 20, 1988
Volume 12, Number 46

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. June 20, 1988, Volume 12, Number 46. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

What's on the Pays/June

Cinemax

New Movies

Title	MPAA Rating	Distributor
A Bell For Adano (B&W)	NR	20th Century-Fox
Belles On Their Toes	NR	20th Century-Fox
Between Heaven and Hell	NR	20th Century-Fox
Captain From Castile	NR	20th Century-Fox
84 Charring Cross Road*	PG	Columbia
The Cheap Detective	PG	Columbia
Commando Squad*	R	TWE Prod.
Commandos Strike at Dawn	NR	Columbia
Crash Dive	NR	20th Century-Fox
Daisy Kenyon (B&W)	NR	20th Century-Fox
Dolls	R	Vestron
Farewell, My Lovely	R	ITC Entertainment
Five Golden Hours (B&W)*	NR	Columbia
Forty Guns (B&W)	NR	20th Century-Fox
Gothic	R	Vestron
Guilty Conscience	NR	20th Century-Fox
A Hatful of Rain (B&W)	NR	20th Century-Fox
Hercules	G	J.E. Levine
Hercules Unchained	G	J.E. Levine
The Horseman*	PG	Columbia
In Old Chicago (B&W)	NR	20th Century-Fox
It's Alive III: The Island of the Alive*	R	Warner Bros.
Jeremiah Johnson	PG	Warner Bros.
Johnny Apollo (B&W)	NR	20th Century-Fox
Joy of Flying	NR	K-Pay
Hollywood Uncensored	NR	Castle Hill
Kentucky	NR	20th Century-Fox
The Kindred*	R	Feldman/Meeker
Kiss of Death (B&W)	NR	20th Century-Fox
L'Annee Des Meduses	NR	European Classics
Lloyds of London (B&W)	NR	20th Century-Fox
The Man From the Diner's Club (B&W)*	NR	Columbia
The Mark of Zorro (B&W)	NR	20th Century-Fox
Mister 880 (B&W)	NR	20th Century-Fox
Moon In Scorpio*	R	TWE Prod.
Munchies	PG	MGM/UA
Nightmare Alley	NR	20th Century-Fox
Off The Wall	R	Paramount
On the Line	NR	Miramax
The Outsiders	PG	Warner Bros.
Panic in the Streets (B&W)	NR	20th Century-Fox
Party Camp	R	Vestron
P.K. and the Kid	PG13	Castle Hill
Police Academy 4: Citizens on Patrol*	PG	Warner Bros.
Prisoners of the Casbah*	NR	Columbia
Radium City	NR	Praeses Prod.
The Raid	NR	20th Century-Fox
Rat Boy	PG13	Warner Bros.
Revolt of Mamie Stover	NR	20th Century-Fox
Russian Roulette	NR	ITC Entertainment
Serpent of the Nile*	NR	Columbia
Sex Appeal	R	Vestron
Slaughter High	R	Vestron
Sweet Country	R	Cinema Group
Sweet Lorraine	PG13	Paramount
The Tamarind Seed	PG	ITC Entertainment
Topper Takes a Trip	NR	Hal Roach
The Torture Garden*	NR	Columbia
13 West Street (B&W)*	NR	Columbia
What's Up, Tiger Lily?	PG	Castle Hill
Witchboard	R	Cinema Group
Wired To Kill	R	The Movie Store

Original Programming/Specials

Cinemax Sessions:
Country Music - A New Tradition
The Max Movie Show

La Bamba

Highlights

La Bamba*	PG13	Columbia
Predator	R	20th Century-Fox
Spaceballs	PG	MGM/UA

The Disney Channel

New Movies

All Mine To Give	NR	RKO
Angel and the Badman	NR	Hal Roach
Anna to the Infinite Power*	NR	Film Gallery
Archer*	NR	New World Pictures
Belles on Their Toes	NR	20th Century-Fox
Bloodhounds of Broadway	NR	20th Century-Fox
Charlie Smith and the Fritter Tree*	NR	WGBH Boston
The Deerslayer	NR	Viacom
Desk Set	NR	20th Century-Fox
For Heaven's Sake	NR	Viacom
Freaky Friday*	G	Disney
From the Earth to the Moon	NR	RKO
Glass Bottom Boat	NR	MGM/UA
Going Ape	PG	Paramount
Golden Girl	NR	20th Century-Fox
Jean Sheperd's 'Phantom of the Open Hearth'*	NR	WGBH Boston
Johnny Shiloh*	NR	Disney
Kavik, The Wolf Dog	NR	Viacom
The Kid From Spain	NR	Samuel Goldwyn
The Lonestar Kid*	NR	Wonderworks
Menace on the Mountain*	NR	Disney
Mr. Rossi's Dreams*	NR	Italtoons
My Friend Irma	NR	Paramount
Nadia	NR	Tribune Entertainment
Napoleon and Samantha	G	Disney
Pat and Mike	NR	MGM/UA
Peter No Tail	NR	Viacom
The Red Fury	PG	Dayton Steward Organization
Running Brave	PG	Disney
Soldier's Home	NR	Bedford Entertainment
Thinking Big	NR	Thinking Big Ltd.
Up the River	NR	20th Century-Fox
Vacationing With Mickey and Friends	NR	Disney
The Wind in the Willows	NR	D.L. Taffner Ltd.
The Wings of Eagles	NR	MGM/UA

Original Programming/Specials

Dr. Seuss on the Loose*
Dr. Seuss' The Lorax*
The Flame Trees of Thika* (Mini-Series)
Hepburn and Tracy*
Home Alone*
Wuzzles*

Wuzzles

Highlights

The Chipmunk Adventure*	Samuel Goldwyn
Cowboys Don't Cry*	Atlantis Films
Starlight: A Musical Movie	Pride Entertainment

Home Box Office

New Movies

Angel Heart*	R	Tri-Star
Callie & Son	NR	Lorimar
Cave Girl	R	Crown
Crystal Heart*	R	New World
Disorderlies*	PG	Warner Bros.
Happy Hour	R	TMS
Hot Shot	PG	Internati
Instant Justice	R	James Phi
Jocks	R	Crown
Making Mr. Right	PG13	Orion
Mind Killer	NR	Fox/Lorber
Morgan Stewart's Coming Home*	PG13	Kings Road
Never Too Young To Die	R	Goldwyn
Pretty Smart*	R	New World
The Professionals*	PG	Columbia
Travels of Marco Polo*	NR	Taffner

Original Programming/Specials

The Adventures of Tom Sawyer
14: No School For Pirates*
15: Tom Steals Home*
16: Pirates At Their Own Funeral*
17: Tom's Moment of Glory*
18: For the Love of Becky*
Confessions of An Undercover Cop: America Undercover
HBO Comedy Hour Live: The Montreal Intl. Comedy Festival Hosted by John Candy
HBO Coming Attractions-8807
HBO World Stage: Olivia Newton-John in Australia
The Survival Series: 'Penguin Summer'*
Tales of Little Women
01: The March Family*
02: The War Draws Closer*
03: The Hidden Guest*
04: The Gift of Freedom*
05: The Friendship Pin*
Tanner '88: Part 8
Tanner '88: Part 9
Vietnam War Story: Part 4
Vietnam War Story: Part 5 World Championship Boxing: Marlon Starling vs. Tomas Molinares; Lloyd Honeyghan vs. Yungkil Chung

Olivia Newton-John

Highlights

Dragnet	PG13	Universal
The Fourth Protocol*	R	Lorimar
Predator**	R	20th Century-Fox
Spaceballs**	PG	MGM/UA

(**denotes duplicated and exclusive between Home Box Office and Cinemax)

The Movie Channel

New Movies

Above and Beyond (B&W)	NR	MGM/UA
The Adventures of the Action Hunters*	PG	Troma
The Amorous Adventures of Moll Flanders	NR	Paramount
Arabesque	NR	Universal
The Barbarians*	R	Cannon
Battle Circus (B&W)	NR	MGM/UA
Calling Northside 777 (B&W)	NR	20th Century-Fox
Darling Lili*	NR	Paramount
Desk Set	NR	20th Century-Fox
The Diary of Anne Frank	NR	20th Century-Fox
Drums Along the Mohawk	NR	20th Century-Fox
Fairy Tales	R	Goldwyn
Heaven Can Wait	NR	20th Century-Fox
Help!*	G	Universal
How Green Was My Valley (B&W)	NR	20th Century-Fox
Jeremiah Johnson	PG	Warner Bros.
The Last Ride of the Dalton Gang	NR	Coca-Cola
Malaya	NR	MGM/UA
Mastermind	G	Viacom
The New Kids	R	Columbia
A New Kind of Love*	NR	Paramount
Nightside	NR	Universal
Off the Wall	R	Paramount
Outside Chance	NR	Viacom
Pacific Banana	R	Satori
A Piece of the Action	PG	Warner Bros.
R.S.V.P.	R	Platinum
Sheena	PG	Columbia
Summer Heat*	R	Atlantic
They Still Call Me Bruce	PG	Hal Roach
The Train Robbers	PG	Warner Bros.
The Washington Affair	NR	Viacom
What's Up, Tiger Lily?	PG	Castle Hill
Wolf at the Door	R	IFM
The 500 Pound Jerk	NR	Universal

Predator

Highlights

Back to the Beach*	PG	Paramount
Campus Man*	PG	Paramount
Dragnet	PG13	Universal
Hanoi Hilton*	R	Cannon
The Movie Channel's Short Film Showcase	NR	Showtime
Predator	R	20th Century-Fox

Showtime

New Movies

Angel on My Shoulder	NR	Viacom
Between Two Loves	NR	J. Phillips
Brass Target	PG	MGM/UA
Bus Stop	NR	20th Century-Fox
Candy Stripe Nurses	R	Viacom
Dragnet	PG13	Universal
The Far Horizons	NR	Paramount
Hey There, It's Yogi Bear*	G	Atlantic
The Legend of Sleepy Hollow	NR	Viacom
Madame X	NR	Universal
My Father, My Rival	NR	Scholastic
Ninja III: The Domination	R	Viacom
Paper Moon*(B&W)	PG	Paramount
Predator	R	20th Century-Fox
The Reluctant Astronaut	NR	Universal
The Return of Joe Forrester	NR	Coca-Cola
Rousters	NR	Coca-Cola
Sweet Bird of Youth	NR	MGM/UA
Sweet Lorraine*	PG13	Paramount
Sweet Revenge	R	New Horizons
True Grit	G	Paramount
The Wings of Eagles	NR	MGM/UA

Original Programming/Specials

Brothers: 'Barney, We Hardly Knew Ye...?'
Gleason: He's the Greatest
It's Garry Shandling's Show
Poison 'Chills'
Poison 'Bliss'
Showtime Championship Boxing
Showtime Comedy Club Network

Dragnet

Highlights

Back to the Beach**	PG	Paramount
Hot Pursuit*	PG13	Paramount
Malone*	R	Orion
The Sins of the Father (Part 1 + 2)	NR	Showtime
Under Cover*	R	Cannon

(**denotes duplicated and exclusive between Showtime and TMC)

Note: Movies listed are making their debut on one or more pay services this month.

Cable posts 24.3% growth over two years

Study puts annual industry revenues at $12.8 billion

By Craig Kuhl

DENVER—In the past two years the cable industry has enjoyed a 24.3 percent growth rate while generating annual revenues of $12.8 billion, a report by the Denver research firm of Browne, Bortz & Coddington concluded.

The industry also created one percent of new U.S. jobs since 1986 and increased its contribution to the gross national product by 28 percent, or $32 billion. The study also said that cable television will provide 490,000 jobs in 1988 and generate $14.2 billion in income.

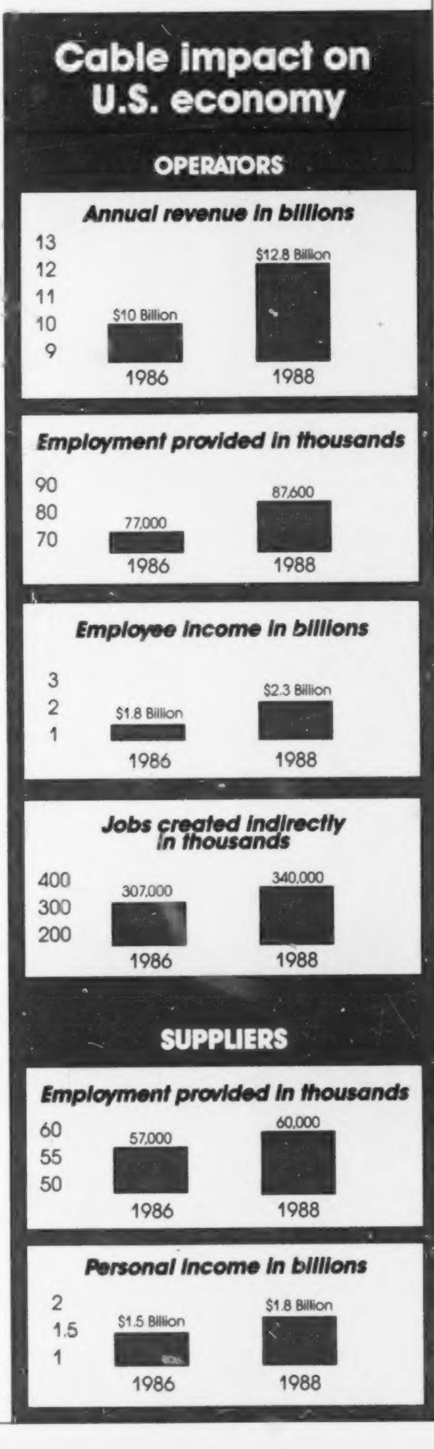
The study, *Impact '88,* updates a similar report released in 1986. Both reports were commissioned by Daniels & Associates.

The latest study reports that since 1980 gross cable television network advertising revenues increased from $50 million to a 1988 projected total of $1.6 billion. Meanwhile, cable industry suppliers, which include construction, manufacturing, transportation, communications, public utilities, wholesale and retail trade, added personal income of $1.8 billion and 60,000 related jobs. Direct cable operator employment has increased by more than 10,000 jobs since 1986, while total cable related employment increased more than 10 percent, or nearly 50,000 jobs.

Jack Pottle, the chief author of the study, said that the cable industry "should grow much more rapidly than U.S. industry as a whole, but is not likely to continue growing at its current rate because of its maturity."

However, one of cable's more significant contributions to the nation, the report said, is that it provides television programming to households that cannot otherwise receive it and offers new program choices for all subscribers.

"Because of cable television, no one is a second-class citizen. People in hamlets across the country have as much television as New York and other large cities," said Bill Daniels, chairman of Daniels & Associates. A top priority for the industry now, according to Daniels, is service. "Service must improve, and it is improving, but we have a long way to go. We're still a very young industry and have lots to learn."



At present, more than three out of four cable subscribers have access to 30 or more channels; 15 percent can receive 54 or more. Cable originated programming now constitutes nearly 40 percent of viewing in the average cable home and 45 percent of viewing in homes with one or more premium cable services, the report said. And on a national level, viewing of cable originated program services has increased by more than 50 percent since 1983, while viewing of network affiliated broadcast stations declined 12 percent in the same period.

The explosive growth of cable since 1980 is also reflected in the report, from $2.9 billion in revenues in 1980 to $11.3 billion in 1987, a 21.4 percent increase. Revenue growth for other media and communications industries were: telephone/telegraph, 11.1 percent; newspapers, 8.4 percent; periodicals, 9.6 percent; broadcast television, 11 percent; radio, 10 percent; motion picture box office, 6.5 percent; and home video, 58.3 percent (growing from .4 percent to 6.3 percent since 1981).

And, according to the study, prospects for future cable revenue growth remain excellent. Industry projections for 1990 average about $16 billion, or 25 percent above the 1988 level, while a $20 billion industry total is likely within five years.

The industry also has emerged as a major fund-raising vehicle, the report added. Live Aid, Farm Aid, Comic Relief and other efforts generated almost $100 million in donations, while the industry also undertook literacy campaigns, Muscular Dystrophy Association and Special Olympic programs.

The report went on to say that the number of cable subscribers has more than doubled since 1980, while industry revenues have climbed by a factor of four (more than 20 percent compounded annually). From that perspective, the gross national product, the most commonly used measure of overall economic activity, increased just 7.9 percent annually over the same eight-year period. And, in relative terms, cable ranks well behind the telephone, newspaper and periodical businesses, but well ahead of motion picture box office, radio, home video and all three components of broadcast television advertising (network, national/regional spot, and local).

Cable viewing has increased more than 50 percent since 1983 while viewing of network affiliates declined by 12 percent, the study said. ■

CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	352	6,546,800
Alternate View Network	247	3,000,000
America's Value Network	1,557	6,900,000
Arts & Entertainment (A&E)	2,500	30,000,000
Black Entertainment Television (BET)	1,000	18,500,000
Cable News Network (CNN)	11,823	45,186,000
Cable Value Network	1,700	19,000,000
CBN Cable Network	8,122	40,047,200
C-SPAN	2,900	37,300,000
C-SPAN II	490	14,200,000
Country Music Television	714	7,100,000
The Discovery Channel	3,000	30,300,000
ESPN	19,123	47,000,000
Eternal Word Television Network (EWTN)	447	9,400,000
FamilyNet	47	1,200,000
The Fashion Channel	600	10,100,000
Financial News Network (FNN)	1,920	28,200,000
FNN/Score	1,150	19,800,000
FNN/TelShop	900	11,600,000
Galavision	300	1,000,000
Headline News	3,801	30,124,000
Home Shopping Network	1,270	14,636,087
Home Shopping Network 2	295	5,112,658
The Inspirational Network (PTL)	930	10,300,000
International Television Network	56	7,868,900
The Learning Channel	1000	12,000,000
Lifetime	3,800	39,000,000
Mind Extension University	83	1,200,000
Movietime	130	5,500,000
MTV	4,780	40,300,000
The Nashville Network	7,141	41,136,960
National Jewish Television (NJTV)	295	6,800,000
Nick At Night	3,165	34,600,000
Nickelodeon	5,955	39,000,000
The Nostalgia Channel	185	2,500,000
Prevue Guide	105	2,100,000
QVC Network	857	11,800,000
Shop Television Network	100	3.600,000
Silent Network	380	10,300,000
Tempo Television	750	12,000,000
The Travel Channel	300	9,000,000
Trinity Broadcasting Network	588	8,522,000
USA Network	10,100	43,400,000
Video Hits One (VH-1)	1,930	25,700,000
The Weather Channel	3,200	34,300,000
WGN-TV	11,071	24,653,463
WWOR-TV	2,293	9,657,482
World Access Television	750	12,000,000
WPIX-TV	858	9,678,474
WTBS-TV	12,715	44,300,000

Pay services

American Exxxtasy	35	25,000
American Movie Classics	1,500	11,000,000
Bravo	350	1,300,000
Cinemax	3,650	5,100,000
The Disney Channel	5,000	3,810,000
Festival	N/A	42,500
Home Box Office (HBO)	6,700	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	600	500,000
Showtime	3,200	5,700,000

Audio services

Cable Radio Network	49	1,566,736
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,576,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
DBC/MarketWatch	462	9,200,000
Electronic Program Guide (EPG)	390	9,200,000

Text services	Affiliates	Subscribers
EPG Jr.	156	180,000
Genesis Cable Storytime	39	1,550,000
Reuters News View	127	2,437,000
X*Press Executive	350	4,000,000
X*Press Exchange	350	4,000,000

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Video Entertainment	195	15,000,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,000
Telaction	1	4,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	180,000
Bay Area Religious Channel (BARC)	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KTVT	415	3,588,270
Life Newsvision	35	50,000
Madison Square Garden	108	2,300,000
Meadows Racing Network	11	600,000
News 12 Long Island	4	532,000
Prime Cable	9	381,938
Prime Ticket	55	2,300,000
SportsVision (Chicago)	50	1,300,000
The Sunshine Network	107	1,500,000

Pay services

Home Sports Entertainment Houston/Dallas	181	645,815
Home Team Sports	114	719,000
New England Sports Network	160	262,138
PRISM-Philadelphia	87	422,329
Pro-Am Sports	140	301,000
SportsChannel (Florida)	10	470,000
SportsChannel (New England)	147	911,829
SportsChannel (New York)	94	1,100,000

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.

N/A denotes information not available.

TBA denotes to be announced.

Announced services

Satellite-fed services	Expected launch
American Man's Network	2/89
ATV:Advertising Television	10/88
Cable TV and Appliance Network	6/88
CD/8: The Digital Music Network	9/88
Interactive Game Network	3rd Quarter 1989
Kids Information Network	6/88
The Landscape Channel	4th Quarter 1988
Laugh TV	3rd Quarter 1988
Main Street	4th Quarter 1988
Show Business Today	1/89
TNT	10/88
Visions Interface Satellite Network	9/88
Wingtips	3rd Quarter 1988

C4722-2
8/9/88

JULY 4, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

TNT SETS OPENING LINEUP

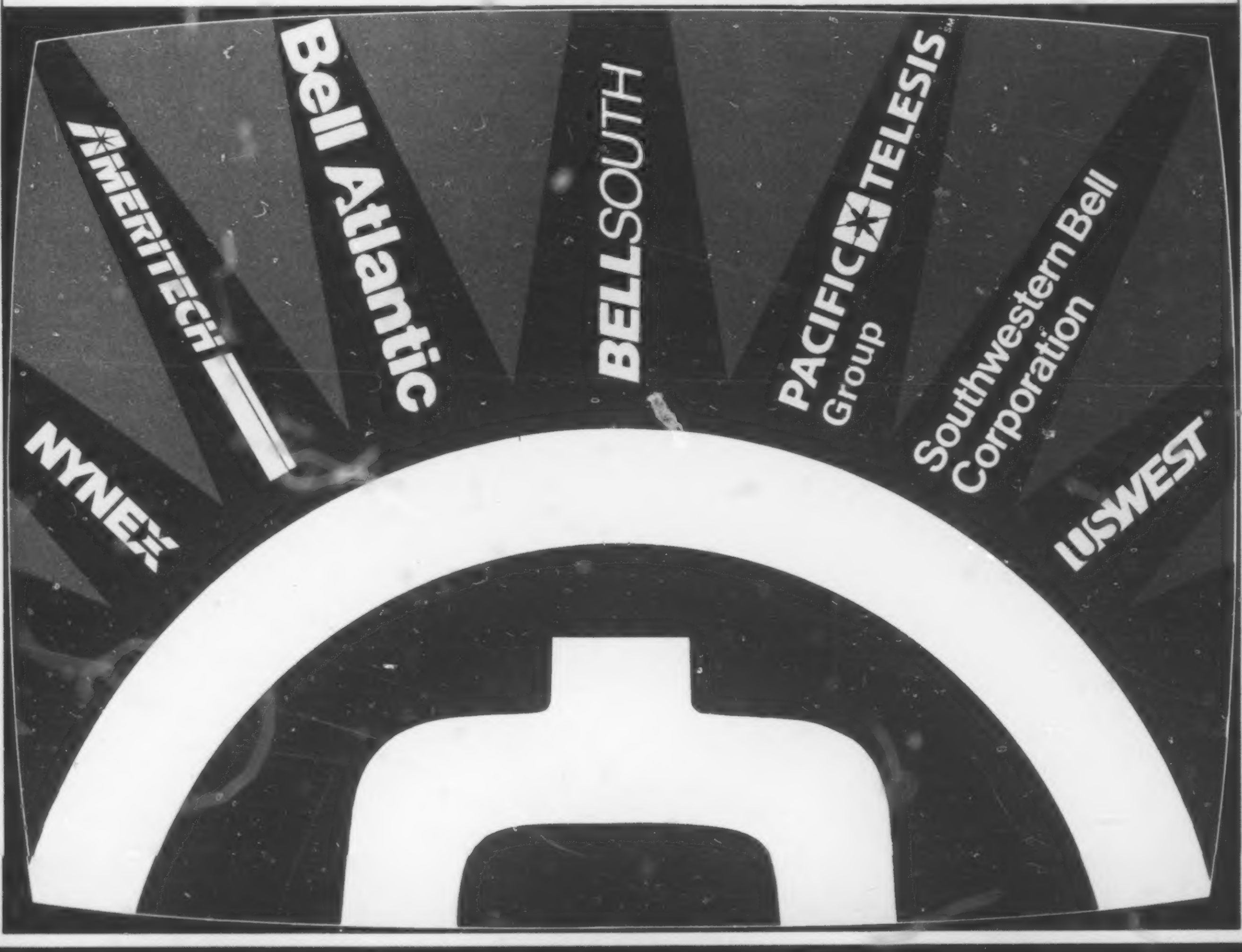
TAFT LANDS IN WTCI'S LAP

CBS: NO CABLE, BETTER NET AHEAD

BASICS TAKE SYSTEM PROMO COURSE

SMOOTH OPERATORS: LIFE IN THE BACK LANE

OH, THEM BABY BELLS... ARE THEY PRIMED ENOUGH FOR CABLE?


NYNEX
AMERITECH
Bell Atlantic
BELLSOUTH
PACIFIC TELESIS Group
Southwestern Bell Corporation
US WEST

CableVision

FRONTLINE

TNT schedule set 12
Movies and off-net series evergreens dominate the first state of Turner Broadcasting's new channel. Early ad world reaction is encouraging, despite the lack of fresh fare off the bat.

A new Taft owner 16
WTIC/WestMarc Communications grabs what used to be Taft-TCI Cablevision for $420 million.

Bechtel denies Rogers move 16
The engineering giant claims that there are no plans to join PacTel, UA and United Cable in a bid for Rogers' U.S. operations. Industry sources say otherwise.

Sounding HDTV notes 18
Tele-Communications Inc. will make room on two franchises for a test of Faroudja Labs' SuperNTSC format. The idea: spur MSOs into examining both short and long-term advanced TV options.

SportsChannel's NHL gambit 19
For $50 million—double what ESPN paid in 1985—pro hockey will make regional networks its television forum the next three years. The deal could open a new direction for other major sports leagues.

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PROGRAMMING

CBS has the eyes 20
Affiliates came to the broadcast net's pow-wow frustrated over a third-place season finish. But they exited with encouraging feelings about this fall's new program crop—and assurances from top brass that a cable play isn't in the cards.

MARKETING

Local tie-ins in season 28
Basic services are creating an assortment of promotions with system involvement in mind. Some operators like what's coming their way, but many don't want the opportunities.

FORUM

Sharing is caring 30
Community relations can be the not-so-secret formula to win friends and influence the bottom line. So advocates industry pioneer and top broker Bill Daniels.

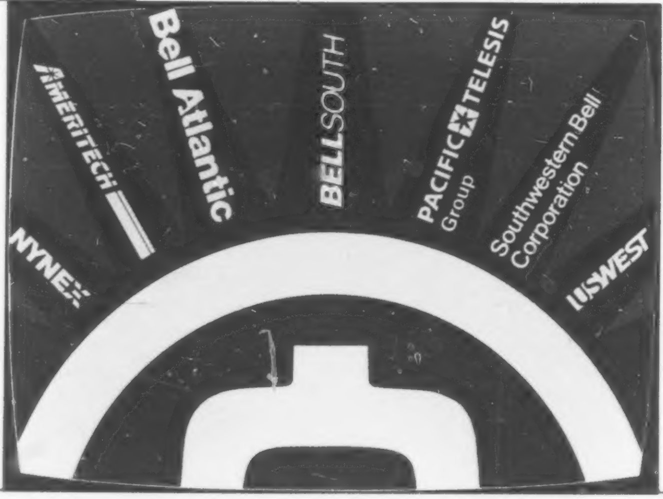
OPERATIONS

Behind the trench lines 31
Billing and other back-office detail may be a matter-of-fact part of industry life. But as some systems attest, it's the critical side that makes or breaks a business.

Beyond tech bounds 33
Visitors to SCTE's annual fest heard their fill of fiber, HDTV and leakage theories. They also received philosophy with an overriding moral: high customer service standards must come first.

LAW & REGULATION

NTIA taps video dial tone 36
Industry trade groups had their choice of controversial NTIA recommendations to attack. But initial heat aimed at the agency's cable report revolved around a proposal giving telcos programming gateway rights.



COVER STORY

Baby Bell pre-school 37
So how are the RBOCs marking time as government agencies weigh telco/cable cross-ownership issues? Diving into related communications enterprises that could provide enough experience to channel when—and if—the wired gate opens their way.

Cover art arranged by Don Ruth

BETWEEN THE LINES

NTIA's cable report raises few real issues

As is usually the case with government studies, the report by the National Telecommunications and Information Administration recommending changes in the regulatory framework surrounding cable television has produced much chaff but precious little wheat.

And almost all the public discussion and newspaper reporting on the half-inch thick NTIA report has focused on the chaff: allowing the broadcast networks to own cable systems, repealing the compulsory license, eliminating exclusive franchises, permitting local telephone companies to provide "video dial tone" service.

All those recommendations are aimed, says NTIA head Alfred Sikes, at increasing competition in the video marketplace. And so they might, but to what benefit to the public interest seems unclear. But let's put aside that question for the moment to look at some genuine wheat in the NTIA report, a substantial portion of which is devoted to ways in which local telephone companies could make available transport facilities and support services to video providers.

At no point in the report does NTIA suggest directly or indirectly that the cable/telco cross-ownership ban be repealed or amended in any significant way. To the contrary, the report urges that "local telephone provision of video transport facilities (whether or not done through acquisition of existing cable systems or by new construction of broadband local telephone network facilities), should be kept separate from ownership and control of the programming in order to maximize diversity and competition among program providers." If that isn't clear enough, a page later the report drives home the point that "To be clear, however, we do not recommend any change in the current rules prohibiting local telephone companies from providing video programming directly to subscribers within their service areas."

In other words, the telcos would remain common carriers, prevented from cross-subsidizing non-regulated operations from the subscriber rate base. All of which sounds, unintentionally to be sure, like the position taken by the cable industry for years: we don't oppose competition from anyone, including the telcos, as long as the threat of cross-subsidization is removed.

Once that major point is understood, the NTIA report can be seen as a great deal of tinkering with the statutory relationships between cable operators and franchising authorities. And that in itself is unusual. Republican administrations are not known for invading the turf of state and local governments, as NTIA does in asserting that "grant of authority to construct (a cable system) to one operator provides no basis for barring entry by others."

The rest of the report is composed of recommendations that seem passe or at most non-threatening. Repeal of the compulsory license would have prompted a storm of protest a few years ago, but the industry's reliance on distant signals now is greatly diminished. Allowing the broadcast networks to own cable systems simply translates into more potential buyers bidding up already-high prices (and while the networks are good at many things, managing a customer service business like cable doesn't seem to be one of them; just ask Bill Strange what shape he found the Blackhawk system after he bought it from CBS).

As a final jab at the cable industry, NTIA attacks horizontal integration and suggests that cable ownership has become too concentrated. But concentration of ownership is not a cable industry problem; it may be a TCI problem, but in any event it would not be acceptable to single out the industry for ownership limits more stringent than other communications media, notably the Hollywood studios.

After digesting the NTIA report, it's understandable that the NCTA seemed hard pressed to voice a protest. There simply isn't much substance to it.

—Steve Tuttle
Editor and Associate Publisher

CableVision

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July 4, 1988
Volume 12, Number 47

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INTERNATIONAL THOMSON COMMUNICATIONS INC

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. July 4, 1988, Volume 12, Number 47. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

PROGRAMMING/Pay-Per-View Supply Chart

July — Source

Biggles-The Adventures in Time (7/1) — New Century/Vista
MPAA Rating: PG — Running Time: 87.51 mins.
Cast: Alex Hide-White, Fiona Hutchinson, Peter Cushing.

Fatal Attraction (7/1) — Paramount
MPAA Rating: R — Running Time: 119 mins.
Cast: Michael Douglas, Glenn Close.

Hello Again (7/21) — Touchstone
MPAA Rating: PG — Running Time: 96 mins.
Cast: Shelley Long, Courbin Benson, Judith Ivey.

Home is Where the Hart Is (7/1) — Paramount
MPAA Rating: PG13 — Running Time: 86 mins.
Cast: Valerie Bromfield, Martin Mull.

Hope and Glory (7/1) — Columbia
MPAA Rating: PG13 — Running Time: 113 mins.
Cast: Sarah Miles, David Hayman, Derrick O'Conner.

Ironweed (7/22) — HBO Enterprises
MPAA Rating: R — Running Time: 120 mins.
Cast: Jack Nicholson, Meryl Streep.

Leonard Part 6 (7/15) — Columbia
MPAA Rating: PG — Running Time: 83 mins.
Cast: Bill Cosby, Tom Courtney, Gloria Foster.

Nuts (5/16) — Warner Bros.
MPAA Rating: R — Running Time: 116 mins.
Cast: Barbara Streisand, Richard Dreyfuss, Maureen Stapleton.

Orphans (7/1) — Lorimar
MPAA Rating: R — Running Time: 115 mins.
Cast: Albert Finney, Mathew Modine, Kevin Anderson.

Overboard (7/1) — MGM/UA
MPAA Rating: PG — Running Time: 112 mins.
Cast: Goldie Hawn, Kurt Russell, Edward Herrmann.

Rent A Cop (7/1) — HBO Enterprises
MPAA Rating: R — Running Time: 110 mins.
Cast: Burt Reynolds, Liza Minelli.

Siesta (7/14) — Lorimar
MPAA Rating: R — Running Time: 97 mins.
Cast: Ellen Barkin, Isabelle Rossellini, Gabriel Bryne.

Teen Wolf II (7/1) — Paramount
MPAA Rating: PG — Running Time: 95 mins.
Cast: Jason Bateman, Kim Darby, John Astin.

The Underachievers (7/22) — Vestron
MPAA Rating: NR — Running Time: 91 mins.
Cast: Edward Albert, Barbara Carrera, Lee Arenberg.

August — Source

Action Jackson (8/1) — Lorimar
MPAA Rating: R — Running Time: 95.58 mins.
Cast: Carl Weathers, Vanity.

Brain Damage (8/11) — Paramount
MPAA Rating: R — Running Time: 84 mins.
Cast: Rich Herbst, Gordon McDonald, Jennifer Lowry.

Bugs Bunny Superstar (8/1) — MGM/UA
MPAA Rating: G — Running Time: 91 mins.
Cast: Animated.

D.O.A. (8/19) — Touchstone
MPAA Rating: R — Running Time: 98 mins.
Cast: Dennis Quaid, Meg Ryan.

Eddie Murphy "Raw" (8/11) — Paramount
MPAA Rating: R — Running Time: 91 mins.
Cast: Eddie Murphy.

Hello Mary Lou: Prom Night II (8/1) — S. Goldwyn
MPAA Rating: R — Running Time: 96 mins.
Cast: Michael Ironside, Wendy Lyon.

The Manchurian Candidate (8/19) — MGM/UA
MPAA Rating: PG13 — Running Time: 128 mins.
Cast: Frank Sinatra, Laurence Harvey.

September (8/1) — Orion
MPAA Rating: PG — Running Time: 82 mins.
Cast: Mia Farrow, Denholm Elliott, Diane Wiest, Jack Warden.

A Tiger's Tale (8/11) — Paramount
MPAA Rating: R — Running Time: 91 mins.
Cast: Ann-Margaret, C. Thomas Howell, Charles Durning.

Wall Street (8/1) — 20th Century-Fox
MPAA Rating: R — Running Time: 126 mins.
Cast: Michael Douglas, Charlie Sheen, Darryl Hannah.

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events. 24 hours per day, ap prox. 50 titles per month	Available in systems serving 1,000,000 addressable subscribers)
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	First-run movies, special events.	Available in systems serving 2,400,000 subs. (1.2 million addressable).
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	Available in systems serving 1,000,000 addressable subscribers
Request Television	November 27, 1985	Galaxy I, tr. 12	VideoCipher II	Min. of four major motion pictures per week over 14-day cycle, special events	Available in systems serving 4 million subs. (2.8 million addressable).
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Channels I & II: First-run movies, special events	Available in systems serving over 3 million subs.
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: 2 movies per week, the newest and top-selling. Channel 2: Cult favorites, and top of the charts video store sellers. Channel 3: Additional plays of movies on 1 & 2 (frequency channel).	Available in systems serving 160,000 subs.(60,000 addressable).

Prepping for the big catch

Regional BOCs get a pre-cable education from other media flings

By Virginia Munger Kahn

With a new government report urging the entrance of the telephone companies into the cable business and one firm, Pacific Telesis, already actively looking to acquire a major operator, no one seems to question the inevitability of telephone company involvement in the industry anymore. The big question remains when and exactly how they will become involved, and how effective they will be in competing against established operators.

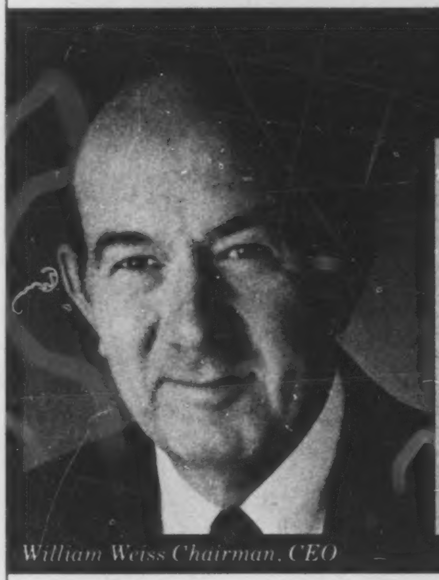
While on a superficial level, the Regional Bell Operating Companies (RBOCs) spun off from AT&T in 1984 might seem easy competitors because of their history of operating in a regulated environment, in fact, these seven companies represent powerful financial institutions that at this moment are testing the competitive waters of several businesses.

Most of the companies boast revenues well in excess of $8 billion a year: NYNEX and BellSouth are at the top with $12 billion a year in revenues, while earnings often exceed $1 billion. In contrast, Tele-Communications, Inc. this year broke the $1 billion revenue level.

Most of that money comes from providing basic local telephone service, but increasingly these companies are moving into related businesses such as cellular telephones, communications software, and the publishing of directories. Some have been more successful than others at diversification, but the bottom line is that by the time the seven regional Bells are allowed to compete against cable operators, they will have several years of competitive experience under their belts and millions of dollars in resources that are not derived from their regulated activities.

What is pushing the seven RBOCs into non-regulated areas today is their desire to grow their companies and increase profits. While executives with the companies are loathe to admit it, telephones are not exactly a hot growth industry. In most cases, the number of customer lines are increasing at a rate of only two to four percent a year. The business is incredibly steady, but it is constrained by its maturity and by extensive regulation at the state and federal levels.

As a result, the most important item on most telco agendas today is changing the regulatory environment in which they must do business by knocking down the "artificial" walls the Modified Final Judgment raised, and by restructuring the way they earn their money from basic local telephone service.



William Weiss Chairman, CEO

AMERITECH

ILL., IND., MICH., OHIO, WISC.

Revenues:	$9,536
Net Income:	$1,188
Total Assets:	$18,764
Long-term Debt:	$4,389
Telephone Lines:	15,094,000
Employees:	78,510

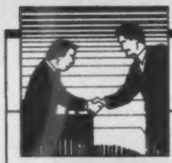
Note: Dollars in millions
Figures as of Dec. 31, 1987

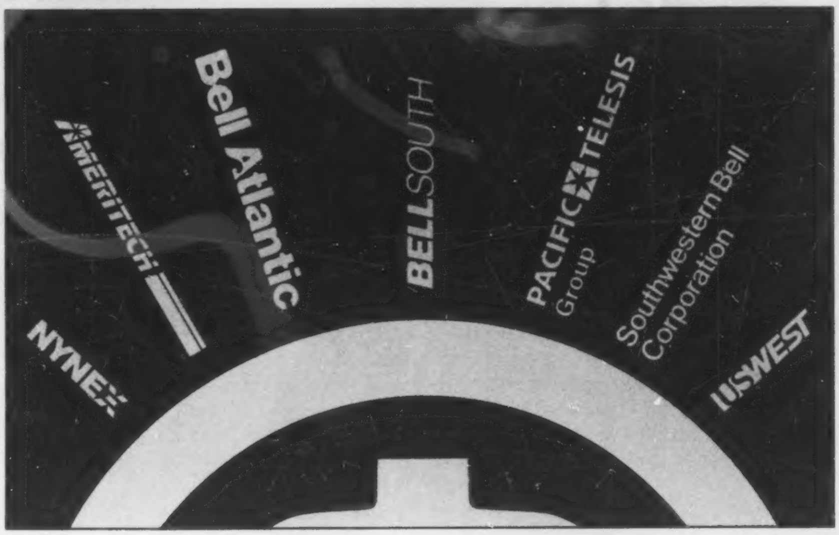
A significant victory was scored recently when U.S. District Court Judge Harold Greene decided to allow the RBOCs to enter communications venues unrelated to their core business without having to come to the court for approval and then in a related decision earlier this year, allowed them to provide gateways for information services. The telcos still are not allowed to provide information services such as cable television under the MFJ, nor are they allowed to provide cable in their service areas under the cross-ownership restrictions of the Cable Act.

The other major regulatory area under attack by the telcos is that of rate regulation at both the state and federal levels. The Federal Communications Commission is considering an alteration of the system by which the RBOCs have been regulated, from one that is based on a rate of return to one that is based on price caps. The RBOCs charge that rate of return regulation provides no incentives for the companies to maximize efficiencies, whereas a system in which prices are set and then any efficiencies that are achieved below that price may be kept as profits would foster a more competitive environment.

At the same time, the companies have been spending billions of dollars rebuilding their existing networks so that they are capable of handling increased voice and data communications and can provide enhanced telephone services such as message storage and voice mail. Last year, for example, Ameritech spent $1.9 billion on new construction. U.S. West spent $1.6 billion on new equipment, including nearly 24,000 miles of fiber optic cable and more than 100 digital switching centers. Whereas BellSouth spent over $3 billion, not only installing fiber systems but also new customer lines trying to keep up with the fast population growth in its service area.

The companies also are investing in new system architectures such as the Integrated Services Digital Network, which is intended to provide users with simultaneous voice, data and video





paths over the same telephone line.

John Bain, telecommunications analyst at Shearson Lehman Hutton, notes that there have been virtually no technological changes in the local loop for the last 100 years and that on average, the local system is used just 23 minutes per day. Increasing the use of these networks will be a key telco goal in the future, in order to better utilize these new networks.

One measure of telco financial success is the amount of outside financing they must raise in order to fund their network rebuilds and new business ventures. As Ameritech noted in its annual report, 100 percent of its construction costs in 1987 were internally generated. Southwestern Bell reported that last year, it covered its construction and other capital expenditures 1.36 times with internally-generated funds. That's after paying dividends to shareholders.

For the most part, the RBOCs rarely have to go to the public markets for financing, notes Frank Governali, industry analyst at Kidder Peabody. Once in a while, they might issue short-term commercial paper. "But unless it's a huge acquisition, say over $1 billion," the companies are financed entirely with internal cash, he said.

The strength of the telephone business has allowed the RBOCs to increase earnings about five-to-seven percent a year for the last three years, while increasing dividends at a rate of between seven and 10.5 percent on a compounded basis since divestiture, according to figures compiled by Fulton Holmes, analyst at Thomson McKinnon Securities.

Cost pressures rise as a result of inflation and taxes. However, the companies have been able to offset those pressures through economies of scale and technological developments which provide productivity increases between three and four percent a year, according to Bain. As such, the companies have laid off a substantial number of employees since divestiture.

The average total return on an RBOC stock investment then is about 11 percent a year, according to Donna Meidinger, an analyst with A.G. Edwards in St. Louis. That's not bad, considering government bonds return less than that and other stocks tend to be more volatile. Meidinger says her company is recommending and buying all seven of the regional telcos.

Considering the success and financial solidity of the telephone industry, one would have to wonder why the RBOCs are so intent on risking their financial necks by getting into new areas of business. As one analyst noted, the downside risks are far greater than the upside.

Yet the stock market is rewarding those companies that have been most successful in their diversification efforts, while penalizing those RBOCS that have fared less well or not done enough. Bain admits the new lines of business still are too small to have a significant impact on the companies' financial status, but the diversification efforts have had an important impact on how well the companies' stocks are doing. "While the 'e' is not higher (in price/earnings ratios), the 'p' is,"he says.

Those companies with the highest p/e ratios—that is where the stock is most expensive—are BellSouth at 11.1, Bell Atlantic at 10.8 and Pacific Telesis at 10.7, according to figures compiled by Holmes. The cheapest stocks are U.S. West at 9.6 and NYNEX at 9.7.

The companies themselves put their diversification moves in terms of their desire to keep generating profits. Cognizant that their basic business will always be regulated in some form and that continued low inflation will make regulatory bodies unwilling to grant rate increases, the RBOCs are now striving to increase the percentage of their revenues that come from non-regulated activities.

Several firms already admit most of

See **Telco**, *page 40*

Thomas Bolger Chairman

BELL ATLANTIC

DEL., MD., N.J., PA., VA., W.VA., D.C.

Revenues:	$10,298
Net Income:	$1,240
Total Assets:	$21,245
Long-term Debt:	$5,199
Telephone Lines:	16,056,000
Employees:	80,950

Note: Dollars in millions
Figures as of Dec. 31, 1987

This notice appears as a matter of record only

SOLD
The cable television assets of Freeport Cablevision, Inc., serving Freeport, Florida. This sale represents over 130 basic subscribers. Landis C. Williams represented the seller in this transaction.
June, 1988

SOLD
The cable television assets of Valley Cablevision, Inc., serving Akron and Silver Lake, Indiana. This sale represents over 228 basic subscribers. Karen Thompson represented the seller in this transaction.
May, 1988

SOLD
The cable television assets of Pueblo County Cable, Inc., to TCI Cablevision, Inc. We represented the seller in this transaction.
May, 1988

PYMS CABLE BROKERAGE, INC.

Pamela A. Pyms, President
222 Milwaukee Street
Denver, Colorado 80206
303 388 8168

PYMS

Sam Ginn Chairman, CEO

PACIFIC TELESIS

CALIF., NEV.

Revenues:	$9,131
Net Income:	$950
Total Assets:	$21,056
Long-term Debt:	$5,321
Telephone Lines:	12,525,000
Employees:	71,877

Note: Dollars in millions
Figures as of Dec. 31, 1987

Telco, *from page 38*

the growth in net income during 1987 came from these new enterprises. According to Jerry Brown, a spokesman for U.S. West, the non-telephone businesses were profitable for the first time last year, and while the amount of profit—$8 million—was not much, that's where all of U.S. West's earning growth came from. Bell Atlantic, considered the most successful diversifier so far, reported its non-regulated businesses contributed more than $46 million in net income, 3.7 percent of the total. Earnings grew 7.8 percent last year.

On average, most of the RBOCs get about 40 percent of their revenues from local telephone service these days, according to Audrey Stevoff, telecommunications analyst at Duff & Phelps. Access charges for long distance carriers comprise another 28 percent, and toll charges account for another 15 percent. Nine percent of remaining revenues are other telephone-related sources and about eight percent comes from non-telephone related sources. Stevoff estimates that within five years, between 15 and 20 percent of the RBOCs revenues will be coming from non-telephone related businesses.

While Stevoff notes that regulatory changes could help the companies continue to increase profits in their traditional business, the preponderence of income growth in the future will have to come from the non-regulated side of the business, she and others say.

The companies have taken divergent

D.C. Staley Chairman, CEO

NYNEX

ME., MASS., N.H., N.Y., R.I.,
UT., CONN.

Revenues:	$12,084
Net Income:	$1,277
Total Assets:	$22,786
Long-term Debt:	$6,076
Telephone Lines:	14,415,000
Employees:	95,300

Note: Dollars in millions
Figures as of Dec. 31, 1987

paths toward diversification, but in general they have focused on three primary areas, each with varying success and each with varying aggression: cellular telephones, computer software/hardware, and publishing.

Right now, the biggest RBOC players in the cellular business are Pacific Telesis, Southwestern Bell and BellSouth in that order, according to figures compiled by Paul Kagan Associates. PacTel early on realized the importance of mobile communications in markets like Los Angeles and San Francisco and moved into the business in 1986.

In fact, the company's strategy in moving into cellular three years ago provides a critical clue to its current cable moves. The diversification into cellular was handled by Sam Ginn, PacTel's new chairman. What the company did was agree to acquire a cellular company, Communications Industries, and then went to U.S. District Court to seek a waiver for completing the acquisition. The waiver was granted and PacTel became the first RBOC to move into cellular.

SOUTHWESTERN BELL

ARK., KAN., MO., OKLA., TEX.

Revenues:	$8,003
Net Income:	$1,047
Total Assets:	$21,500
Long-term Debt:	$5,649
Telephone Lines:	11,105,000
Employees:	67,100

Note: Dollars in millions
Figures as of Dec. 31, 1987

"A comparison with that and cable is not at all inappropriate,"said Diane Olberg, a spokeswoman for the company. "Sam Ginn takes credit for it. He was in charge of diversification at that time,"she says. At the company's annual meeting in April, Ginn publicly expressed his interest in the cable business, and in recent weeks PacTel's interest in Storer Communications and Rogers Communications has been revealed.

Today, PacTel is the second largest player in the cellular telephone business after McCaw Cellular. The company has licenses to serve 32 communities with 28 million households, according to Kagan figures, including not only its California markets, but also Detroit and a newly acquired license in Athens, Ga.

The biggest cellular acquisition so far has been made by Southwestern Bell. Several analysts note the company faces an extremely difficult market for its basic telephone service. It serves Texas and Oklahoma, among other states.

"It has the worst underlying fundamentals, so they have to be more aggressive"on diversification, says James Meyer, analyst at Janney Montgomery Scott. Last year, the company completed the $1.4 billion acquisition of Metromedia's paging and cellular properties. Analysts view the acquisition with mixed assessments. While some, like Shearson's Bain, notes that those cellular properties are worth double what they were bought for last year, other analysts say they remain uneasy with the price Southwestern Bell paid for the operations.

June 1988
This Notice Appears As A Matter of Record Only.

SOLD:
Kitsap Trooper Cable TV, LTD.
Northwest Partners II, LTD.

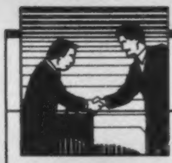
Serving:
N. Bainbridge Island,
Suquamish & Indianola, Washington

SOLD TO:
Northland Communications Corporation

Pat Thompson Co.
represented the seller

Pat Thompson Co.

COMMUNICATIONS BROKERS
5613 D.T.C. PARKWAY, SUITE 700 ENGLEWOOD, CO 80111 (303) 779-0880



BELL SOUTH

ALA., FLA., GA., KY., LA., MISS., N.C., S.C.

Revenues:	$12,269
Net Income:	$1,665
Total Assets:	$27,417
Long-term Debt:	$6,320
Telephone Lines:	15,700,000
Employees:	98,700

Note: Dollars in millions
Figures as of Dec. 31, 1987

Nevertheless, the company remains in the middle of the pack when it comes to its stock market performance, which indicates that despite its poor fundamental outlook, its diversification moves are viewed positively.

Cellular is viewed as a natural outgrowth of the telcos' normal business. The same is true of their moves into computer software, particularly the acquisition of companies that provide communications software; almost all the RBOCs have made such purchases within the past three years. The most recent is NYNEX's $277 million acquisition of AGS Computers, which develops systems software applications for large corporations, including banks.

Despite the logic of such moves, however, not all these acquisitions work out. According to Stevoff, Ameritech's acquisition of Applied Data Research in Jan. 1986 has not done well. Ameritech bought the software producer just before IBM came out with a new database management program, and the division has been in the red for several years now, according to the analyst.

Where the RBOCs really have gotten burned has been in computer retail outlets and telephone equipment sales. In 1986, NYNEX acquired 81 stores from IBM. The division is still unprofitable after closing several outlets and expanding the sales force. "I thought they'd combine computers with their telecommunications"expertise, said Stevoff, "but they never did." Pacific Telesis is facing similar scalebacks at its computer retail outlets, as is Bell Atlantic.

The business of selling telephone equipment has probably been the most difficult. "It's a bloodbath out there,"said Stevoff. Whereas before divestiture there was only one company selling equipment, AT&T, there are now eight companies plus foreign firms doing the same thing. Yet Stevoff says the RBOCs cannot afford to get out of the business because they need to be able to provide equipment to their largest customers.

More successful have been efforts at equipment leasing and financing. Bell Atlantic Capital Corp. is now among the 10 largest leasing companies in the country, with an asset base of $2.6 billion. The company leases equipment from telephones to computers to airplanes.

Bell Atlantic also has been extremely successful in the computer maintenance business. According to industry reports, the company is the largest U.S. independent maintenance company, servicing more IBM equipment than any other company other than Big Blue.

One of the safest diversification moves the companies have made has been into yellow pages and/or directory publishing. The RBOCs were given the lucrative yellow pages business as part of the MFJ. In some cases, these businesses are included in the companies telephone-based sources of revenue.

Almost all the RBOCs say they are interested in moving into the cable business and almost all expect the barriers between the two industries eventually to come down. A U.S. West spokesperson explains his company's 10 percent investment in a cable system in France, Lyonnaise Communciations, this way. "We are prohibited today, but we think eventually we'll be allowed in. This is a way to learn the business...Also, it's a good investment."

That is a sentiment echoed by many of the analysts who follow the telecommunications industry. While some caution that the RBOCs investments in businesses like cellular probably will always be bigger, cable presents good opportunities for these companies. Cable television will soon turn profitable, they note, and there's a "tremendous amount of compatability"between the two businesses, says Drexel Burnham Lambert analyst Patrick Jurczak.

One analyst suggests that the best way for the RBOCs to get involved in cable is to overbuild. "If the costs of fiber and the electronics continue to decline, they should overbuild," said Kidder Peabody's Governali. "It doesn't make sense to go out and acquire a cable company,"he added.

But that is exactly what one RBOC is trying to do now. While the recent NTIA report went part of the way in recommending that telcos be allowed to fulfill a video common carrier role and provide services such as billing, system maintenance, and order-taking services to operators, that is clearly not what PacTel has in mind.

The company is not so much interested in providing such peripheral services as in actually operating systems, a spokeswoman for the company said last week. "We certainly want the opportunity to provide content through a separate subsidiary,"said another PacTel executive.

As the research analysts and RBOCs themselves indicate, this probably is only the beginning. ■

Jack MacAllister Chairman, CEO

US WEST

ARIZ., COLO., IDAHO, IOWA, MINN., MONT., NEV., N.D., S.D., UTAH, WASH., WYOM.

Revenues:	$8,445
Net Income:	$1,006
Total Assets:	$19,095
Long-term Debt:	$19,095
Telephone Lines:	11,613,000
Employees:	68,523

Note: Dollars in millions
Figures as of Dec. 31, 1987

Cable network ad performance

April 1988 billings	April 1987 billings	Year-to-year Dollar change	Year-to-year % change
$55,998,600	$49,228,167	$6,770,433	14%

Top 10 cable net sponsors/April 1988

1. Procter & Gamble	$2,014,138	6. RJR Nabisco	$1,046,282
2. Philip Morris	$1,794,142	7. Mars	$838,189
3. General Mills	$1,640,206	8. Clorox	$812,008
4. Anheuser-Busch	$1,512,199	9. AT&T	$811,528
5. Chrysler	$1,134,882	10. Eastman Kodak	$797,169

Source: Broadcast Advertising Reports data; figures represent combined billings of CBN, CNN, ESPN, MTV, USA and Superstation TBS

	1st Qtr. 1988 billings	1st Qtr. 1987 billings	Year-to-year Dollar change	Year-to-year % change
CBN	$16,175,726	$14,331,636	+$1,844,090	11%
CNN	22,814,936	17,130,101	+ 5,684,835	33%
ESPN	30,516,851	27,285,701	+ 3,231,150	12%
MTV	17,813,939	19,171,026	- 1,357,087	-7%
USA	20,533,739	16,528,182	+ 4,005,557	24%
TBS	45,994,625	38,009,160	+ 7,985,465	21%

Source: Broadcast Advertising Reports data

Subscriber universe estimates

	Total TV households	Cable TV households	Cable % of TV households
A.C. Nielsen	89,030,990	46,296,110	52%
Arbitron	88,812,800	45,886,600	51.7%
Paul Kagan Associates	88,970,000	44,030,000	49.4%

Subscriber numbers as of May 1988

*Nielsen figures include Alaska and Hawaii

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,200,000	(12/87)
2.	American Television and Communications Corp.	3,780,000	(5/88)
3.	Continental Cablevision	2,228,000	(4/88)
4.	Storer Cable Communications	1,488,534	(5/88)
5.	Warner Cable Communications Inc.	1,454,999	(5/88)
6.	Cox Cable Communications	1,441,849	(3/88)
7.	Comcast	1,342,500	(1/88)
8.	United Cable	1,198,370	(4/88)
9.	Viacom Cablevision	1,097,000	(6/88)
10.	Newhouse Broadcasting	1,078,336	(6/88)
11.	Cablevision Systems Corp.	1,066,168	(5/88)
12.	Heritage Communications Inc.	1,049,736	(4/88)
13.	Jones Intercable	1,012,602	(4/88)
14.	Times Mirror Cable Television Inc.	933,541	(4/88)
15.	Sammons Communications Inc.	827,662	(2/88)
16.	UA Cablesystems Corp.	814,288	(4/88)
17.	Century Communications Corp.	680,400	(3/87)
18.	Paragon Communications	677,000	(4/88)
19.	Cooke Cablevision	618,042	(3/88)
20.	Cablevision Industries	596,061	(4/88)
21.	Adelphia Communications	594,315	(3/88)
22.	Centel Cable	542,061	(5/88)
23.	Telecable Corp.	533,196	(3/88)
24.	Rogers Cablesystems Inc.	529,706	(12/87)
25.	Daniels & Associates	525,117	(4/86)
26.	Scripps-Howard	430,990	(12/87)
27.	Wometco Cable TV Inc.	429,662	(5/88)
28.	Prime Cable Corp.	422,442	(5/88)
29.	Post-Newsweek	390,579	(4/88)
30.	Multivision Cable	381,398	(3/88)
31.	Falcon Cable TV	343,000	(2/88)
32.	TCA Group	337,999	(1/88)
33.	Lenfest Group	327,378	(4/88)
34.	Maclean Hunter Cable TV Ltd.	322,225	(5/88)
35.	Multimedia Cablevision	313,167	(4/88)
36.	Tele-Media	300,384	(3/88)
37.	Rifkin & Associates	300,200	(5/88)
38.	WestMarc Communications	268,255	(5/88)
39.	Colony Communications Inc.	258,830	(4/88)
40.	Western Communications	255,396	(6/88)
41.	TKR Cable Co.	246,624	(4/88)
42.	Simmons Communications	229,738	(4/88)
43.	Communications Service Inc.	225,000	(4/88)
44.	Star Cablevision Group	224,471	(3/88)
45.	Cencom Cable	224,052	(5/88)
46.	Taft Cablepartners	207,880	(6/88)
47.	Service Electric Cable TV Inc.	205,000	(6/88)
48.	Hauser Communications Inc.	199,141	(4/88)
49.	Harron Communications	164,369	(5/88)
50.	Media General Inc.	164,200	(6/88)
51.	Greater Media	163,924	(4/88)
52.	Columbia International	161,243	(4/88)
53.	Sutton Capital Corp.	152,053	(11/87)
54.	Palmer Communications	146,411	(4/88)
55.	Armstrong Utilities	146,208	(5/88)
56.	McDonald Group	142,548	(4/87)
57.	U.S. Cable Corp.	142,126	(3/88)
58.	Triax Communications	141,000	(6/88)
59.	Cable Systems USA	129,078	(4/88)
60.	Summit Communications	128,496	(4/88)
61.	Sonic Communications	116,656	(6/88)
62.	King Videocable	116,066	(5/88)
63.	Northland Communications	115,226	(4/88)
64.	Bresnan Communications Co.	114,429	(5/88)
65.	Booth Communications	110,207	(5/88)
66.	Susquehanna Broadcasting	108,034	(4/88)
67.	Midcontinent Cable Systems Co.	96,789	(4/88)
68.	Omega Communications	90,500	(3/88)
69.	WEHCO Video	89,078	(12/87)
70.	United Video Management	86,341	(12/87)
71.	Pencor Services	85,264	(1/88)
72.	Coaxial Communications	84,859	(9/87)
73.	Selkirk Communications	72,800	(4/88)
74.	Enstar Communications	70,097	(4/88)
75.	Rock Associates	67,802	(5/88)
76.	Chambers Communications Corp.	61,471	(12/87)
77.	Mountain Cable Co.	59,746	(1/88)
78.	Insight Communications	58,964	(1/88)
79.	Cardinal Communications	57,724	(5/88)
80.	Hearst Communications of California	55,122	(4/88)
81.	Joseph Gans Cable TV	52,000	(4/88)
82.	State Cable TV	51,939	(3/88)
83.	C-TEC Cable Systems	51,365	(4/88)
84.	Douglas Communications	50,741	(3/88)
85.	Dowden Communications	50,224	(3/88)
86.	Helicon Corp.	50,000	(3/88)
87.	Bachow and Elkin Communications	49,142	(6/88)
88.	Galaxy Cablevision	48,500	(4/88)
89.	Prestige Cable TV, Inc.	48,434	(5/88)
90.	Telecast Cablevision, Inc.	47,756	(4/88)
91.	New England Cablevision	47,021	(4/88)
92.	Donrey Media Group	45,869	(4/88)
93.	CableAmerica	42,337	(5/88)
94.	Leonard Communications	42,178	(5/88)
95.	CableSouth, Inc.	41,390	(5/88)
96.	Acton Corp.	38,500	(10/87)
97.	Countryside Cable	35,000	(2/88)
98.	ParCable	34,342	(6/88)
99.	Mickelson Media, Inc.	29,876	(3/88)
100.	Harmon Cable Communications	29,202	(3/88)

Subscriber counts are provided by MSOs and systems to *CableVision*. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Avenue So., Ste. 1010, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	302,193	(5/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	245,000	(3/88)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
6.	Puget Sound, WA	Viacom	203,000	(6/88)
7.	Honolulu, HI	ATC	194,000	(3/88)
8.	Phoenix, AZ	Times Mirror	191,126	(4/88)
9.	Houston, TX	Warner Cable	189,104	(6/88)
10.	Portland, OR	Rogers	187,442	(2/88)
11.	Hartford/Plainville/Vernon, CT	United Cable	175,300	(4/88)
12.	Chicago (suburbs)	Continental	168,000	(4/88)
13.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
14.	Wayne, NJ	UA Cablesystems	162,270	(2/88)
15.	Cincinnati, OH	Warner	158,929	(5/88)
16.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
17.	Englewood, CO	United	157,204	(4/88)
18.	Rochester, NY	ATC	156,000	(3/88)
19.	Fairfax, VA	Media General	154,000	(6/88)
20.	Atlanta, GA	Prime Cable Corp.	153,557	(3/88)
21.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
22.	Tulsa, OK	United	152,127	(4/88)
23.	Connecticut Complex	Cablevision Co.	146,227	(5/88)
24.	Cherry Hills, NJ	NYT	145,075	(7/87)
25.	Orlando,FL	ATC	143,500	(6/87)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Upper Manhattan, NY	Paragon Cable	136,000	(4/88)
28.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
29.	San Jose/Campbell, CA	Gill Cable	131,600	(1/88)
30.	Baltimore County, MD	Comcast	130,000	(10/87)
31.	Charlotte, NC	ATC	128,000	(3/88)
32.	St. Louis Co., MO	Cencom Cable	127,476	(6/88)
33.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
34.	San Francisco, CA	Viacom	123,000	(6/88)
35.	Pompano, FL	Continental	123,000	(4/88)
36.	San Diego, CA	ATC	121,000	(3/88)
37.	Long Island, NY	Viacom	120,700	(3/88)
38.	Austin, TX	ATC	119,000	(3/88)
39.	Seattle, WA	TCI	112,500	(12/87)
40.	Warren, NJ	TKR	109,854	(2/88)
41.	Toledo, OH	Blade Communications	108,861	(5/88)
42.	San Juan, PR	Multivision Cable	104,757	(12/86)
43.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
44.	Wilmington, DE	Heritage	100,972	(2/88)
45.	Dallas, TX	Heritage	100,910	(2/88)
46.	Grand Rapids, MI	UA Cablesystems	100,728	(2/88)
47.	Pinellas County, FL	Vision Cable	100,614	(6/88)
48.	Southeast Michigan	Comcast	100,031	(10/87)
49.	Tacoma, WA	Viacom	99,000	(6/88)
50.	Raleigh/Durham, N.C.	ATC	98,000	(3/88)
51.	Escondido, CA	Times Mirror	96,519	(4/88)
52.	Richmond, VA	Continental	94,584	(4/88)
53.	Dade/Broward, FL	Storer	94,577	(5/88)
54.	Indianapolis, IN	Comcast	92,000	(10/87)
55.	Boston, MA	Cablevision Co.	91,750	(5/88)
56.	Pittsburgh, PA	TCI	91,000	(12/87)
57.	Nashville, TN	Viacom	90,000	(6/88)
58.	Jackson MS/Monroe LA	ATC	89,000	(3/88)
59.	Worcester Complex, MA	Greater Media	88,349	(4/88)
60.	Milwaukee, WI	Warner	88,126	(5/88)
61.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
62.	Las Vegas, NV	Prime Cable	86,852	(5/88)
63.	Orange County, CA	Times Mirror	86,607	(4/88)
64.	Greensboro, NC	ATC	86,000	(3/88)
65.	Naples, FL	Palmer Communications	85,860	(4/88)
66.	Harrisburg, PA	Sammons Communications	82,179	(2/88)
67.	New Orleans, LA	Cox Cable	80,348	(3/88)
68.	Oakland County, MI	United	80,210	(4/88)
69.	Dover, Morristown, NJ	Sammons	80,209	(2/88)
70.	South Bend, IN	Heritage	79,789	(2/88)
71.	Baton Rouge, LA	Daniels & Assocs.	79,586	(4/88)
72.	Akron, OH	Warner	79,070	(5/88)
73.	Hillsborough, FL	Paragon	79,000	(4/88)
74.	Columbus, OH	Warner	78,454	(5/88)
75.	Indianapolis,IN	ATC	78,000	(3/88)
76.	St. Petersburg, FL	Paragon	78,000	(4/88)
77.	Albuquerque, NM	Jones Intercable	77,300	(2/88)
78.	Medford Complex (Boston Suburbs), MA	Warner	77,167	(5/88)
79.	Cleveland Heights, OH	Viacom	76,000	(6/88)
80.	South Texas, TX	Heritage	75,410	(2/88)
81.	Allentown, PA	Service Electric	75,000	(9/87)
82.	Flint, MI	Comcast	75,000	(10/87)
83.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
84.	Fayetteville, NC	ATC	74,000	(3/88)
85.	Little Rock, AR	Storer	72,681	(5/88)
86.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
87.	Omaha, NE	Cox Cable	73,361	(3/88)
88.	Ocean County, NJ	Adelphia	72,355	(3/88)
89.	Tucson, AZ	Cooke Cablevision	71,234	(3/88)
90.	Contra Costa Co. CA	WestMarc Communications	70,642	(5/88)
91.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
92.	Des Moines, IA	Heritage	70,205	(2/88)
93.	Lincoln, RI	Heritage	69,977	(2/88)
94.	Santa Monica, CA	Century	69,900	(12/86)
95.	Birmingham, AL	ATC	69,000	(3/88)
96.	El Paso, TX	Paragon	69,000	(4/88)
97.	Syracuse (suburbs), NY	NewChannels Corp.	68,617	(6/88)
98.	New Haven, CT	Storer	68,082	(5/88)
99.	Madison, WI	TCI	68,000	(12/87)
100.	W. San Fernando Valley, CA	Cablevision Industries	67,870	(4/88)

C4722-2
8/88

JULY 18, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

TVRO IMPASSE BROKEN

DON'T SELL FNN SHORT

TELCO FIBER SYSTEMS ADVANCE

IT'S HOT! IT'S ENTERTAINMENT NEWS!

VIACOM LEAVES LONG ISLAND

THE REGIONAL PAY SQUEEZE: IS THERE ANY WAY OUT?

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EDITOR/ACQUISITIONS
4520 EAST WEST HIGHWAY
BETHESDA MD 20814

CableVision

FRONTLINE

Knight-Ridder doubles 12
By buying a partial interest in TCI's acquisition of Storer, Knight-Ridder will double the number of cable subscribers its owns or manages. The deal is valued at about $116 million.

Bay connections 13
Two San Francisco cable factions will join forces to create the industry's third-largest interconnect, reaching one million homes.

Details on CNBC 16
It now has a name, CNBC, and more details are emerging concerning NBC's planned financial news and sports service over Tempo.

Out on Long Island 17
As part of its financial restructuring, Viacom International is preparing to sell its Long Island cable properties, and perhaps some Cleveland subscribers as well. Cablevision Systems is on the prowl.

Selling *Superboy* 19
MTV Networks has landed the rights to sell national advertising for the *Superboy* adventure program, the first time MTVN has sold time for a non-cable originated show.

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PROGRAMMING

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News travels fast. Especially entertainment news, which is spreading all over the cable dial. VH-1 appears to be the latest entrant, with word of a likely revamping to include movie bits and entertainment shorts in its schedule. Movietime is looking strong, but HSN's proposed Show Business Today isn't. Thanks to MTV, it seems that all of cable is embracing non-linear thinking.

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The dust is beginning to settle around the relocation of American Televisionm and Communications to Gotham. We check into who's in, who's out and what's up.

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Telephone interests have unveiled three new fiber-to-the-home system designs which they hope will hasten telco efforts to draw cable TV revenues from their customers. The designs are intended to overcome costs and regulatory hurdles of ISDN.

BUSINESS AND FINANCE

FNN's looming battle 46
Conventional wisdom is that when NBC enters cable with a business news service over Tempo, FNN will be blown out of the water. Maybe, but maybe not as we learn after revisiting two cable truisms: it's hard to dislodge a first-in player, and distribution is everything.

Kevin Costner stars in the Orion political thriller No Way Out *airing in August on Showtime, HBO, Cinemax and The Movie Channel*

COVER STORY

Regional pays: No way out? 30
It's a given that the major national pays are going gangbusters these days, with rising subscriber numbers and schedules heavy with notable studio film deals. Feeling the heat are the regional pays such as Prism and Z Channel, whose access to "A" titles is being crimped.

BETWEEN THE LINES

The last hope of syndex lies with cable engineers

Like the clap of thunder whose sound lags the flash of lightning, the reality of syndicated exclusivity only now is beginning to reverberate through the operational side of the cable industry long after its political managers salvaged what they could from a hell-bent Federal Communications Commission.

Looked at politically, which is to say, dispassionately, syndex can be seen as a loss cable had to suffer in order to gain the moral high ground on issues of more strategic importance, namely the industry's ability to assert exclusivity over its own programming. "It wasn't as bad as it could have been," was a comment often heard around Washington after the FCC decision. Given the rigidity of Chairman Dennis Patrick on the issue, and his insensitivity to real-world technical and operational questions, it is sadly true that industry interests did as good as could be expected in helping fashion rules that were not more onerous than they might have been, rules that in reality are an indirect attack on the compulsory license.

Impending appeals and court challenges may delay syndex for years—or even overturn it. But banking on such an uncertain outcome doesn't seem a safe bet given the stakes. Cable engineering and operations executives must now begin seeking ways to adapt to blackout rules, an undertaking that presents a challenge rivaling the cable industry's mastery of satellite technology itself.

United Video, in an FCC filing during the syndex proceeding, offered a rather foreboding picture of one solution, the "hybrid superchannel." Underscoring the complexity of inserting substitute programming on distant signals, UV said that if 1,800 of the 2,000 systems to which it delivers WGN fall under the blackout rules, "there is the potential of 86,400 separate, daily switching operations."

At the expense of some $8 million and after three to five years of development, UV believes it could create such a hybrid superchannel, whose principle benefit would be that it would relieve operators of themselves tracking blackout requests and inserting substitute programming. In essence it would be three channels in one, delivering the original, full superstation signal, blackout switching control data and an alternate program feed. The UV filing with the FCC said that making it work would require a database capable of storing and transmitting 2.2 million half-hour programming information cells over two transponders.

The operative bit of information in United Video's syndex blueprint is the three to five years required to bring to market such complex technology as a hybrid superchannel and associated headend switchers. The FCC is giving the industry one year to comply.

All of which is driving many industry leaders to the reluctant conclusion that the superstations must purchase national, non-exclusive programming so their signals will be blackout proof—while maintaining affordable carriage rates—or operators will be forced to drop the popular channels.

And even if WGN and WTBS manage to fill their programming days with blackout proof programming, that still leaves 598 other broadcast stations that are carried by cable outside their local markets, containing programming that subscribers enjoy and have come to expect.

The cable engineering community time and again has proved itself capable of overcoming long odds. Let us all hope that it isn't being driven to the well once too often.

—Steve Tuttle
Editor and Associate Publisher

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July 18, 1988
Volume 12, Number 48

ITCI

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CableVision (USPC 547-410) (ISSN 0361-6374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. July 18, 1988, Volume 12, Number 48. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

CBS still has an eye for cable

NEW YORK—Although President and CEO Lawrence Tisch has made declarations of "fighting" cable, this doesn't mean CBS is severing ties with cable networks in the sale of sports programming. His statement also doesn't signify that cable is out of CBS' plans completely for the 1992 Winter Olympics. One executive has worked up some numbers.

"*If* we put the cable package out for bid, I'll bet we could do better than $50 million—maybe as high as $70 million," says Neal Pilson, president of CBS Sports. Pilson anticipates that there would be some dilution of network advertising sales, but not that much. The end result? "We would possibly net $40 million with cable."

Money, however, isn't the biggest worry for CBS in bridging a cable connection. Affiliate relations are. On the heels of CBS' loud and boistrious affiliates meeting in Los Angeles recently, some station general managers aren't figuring on CBS offering an Olympic cable plan anytime soon. According to Gene D'Angelo, vice president of WBNS-TV Columbus, Ohio, the primary reason is that it would weaken local ad sales, in the face of competing local cable affiliate ad sales.

NBC already has found out affiliates don't take too kindly to their exclusive Olympic programming being sold off to cable. NBC had been floating that idea for some time. But NBC affiliates objected to the plan, especially because local station sales people have been selling the event for some months on the basis of NBC's exclusivity. "I can't go to a client some 90 days (from the event) and say it's going to be on cable," says D'Angelo, also president of VideoIndiana Inc., which owns NBC affiliate WTHR-TV Indianapolis. To fend off possible resentment from selling its Seoul Olympic event this fall to a cable venue such as TBS or Tempo Television, it abandoned the plan.

But network affiliates don't mind *some* cable ties. CBS has sold off pieces of top-flight sport programs for a number of years, including early rounds of U.S Open tennis to USA Network. This isn't a problem for broadcast affiliates, says D'Angelo, because these events run in early fringe Thursday and Friday evenings, and don't compete head-on with the CBS Network.

But Olympic events would cause conflict because, as CBS' Pilson has said, there aren't enough prime winter Olympic events to make a broadcast net-cable net arrangement work. So, perhaps to maintain the loyalities of nervous affiliates, Tisch took a strong competitive position against cable. Pilson says this isn't inconsistent with CBS selling off sporting events such as tennis or golf events to cable.

—*Wayne Friedman*

Top Basic Cable Sports Programs
June 27 though July 3

	Date	Program	Net	Rating	Homes
1.	6/27	SportsCenter	ESPN	4.2	2,008,000
2.	6/28	Baseball: Braves-Giants	WTBS	3.0	1,393,000
3.	7/3	MotoWorld	TNN	2.4*	992,304
4.	6/30	USA Thursday Night Fights	USA	2.3	1,039,000
5.	6/30	Baseball: Braves-Expos	WTBS	2.2	1,009,000
6.	7/1	Baseball: Braves-Expos	WTBS	2.2	993,000
7.	7/2	Baseball: Braves-Expos	WTBS	2.2	992,000
8.	7/3	Inside Winston Cup Racing	TNN	2.2*	909,612
9.	6/27	Tyson-Spinks Special	ESPN	2.0	956,000
10.	7/3	Baseball: Braves-Expos	WTBS	2.0	930,000
11.	7/3	Performance Plus	TNN	2.0*	826,920
12.	7/1	Top Rank Boxing	ESPN	1.7	813,000
13.	7/3	Hidden Heroes	TNN	1.7*	702,882

*Is computed on multiple airings
All ratings are Nielsen HomeVideo Index.

A Bush/Turner ticket?

George Bush veered off the campaign trail to pop into a recent Turner Network Television luncheon in New York. The vice president and his wife, Barbara (left), made a surprise appearance at the Waldorf-Astoria affair to endorse the new TBS channel. More than 500 advertising officials came to hear details of TNT's Oct. 3 launch, including news of a made-for film on the life of real estate magnate Donald Trump (right).
—Photo by Candace Drake

What's on the Pays/July

Cinemax

New Movies

Title	MPAA Rating	Distributor
The Allnighter	PG13	Universal
Belle Starr	NR	20th Century-Fox
Birds Do It, Bees Do It*	PG	Columbia
Blood Diner	NR	Vestron
Claudia (B&W)	NR	20th Century-Fox
Craig's Wife*	NR	Columbia
The Enemy General* (B&W)	NR	Columbia
Except For Me and Thee	NR	Lorimar-Telepics.
The Face Behind the Mask* (B&W)	NR	Columbia
Fire and Ice	PG	Concorde
Forever Amber	NR	20th Century-Fox
Frightmare	R	Vestron
Gentlemen's Agreement (B&W)	NR	20th Century-Fox
The Gunfighter (B&W)	NR	20th Century-Fox
The House on 92nd Street (B&W)	NR	20th Century-Fox
If You Could Only Cook* (B&W)	NR	Columbia
Interlude*	PG	Columbia
Island of 1,000 Delights	NR	K-Pay
It's My Turn*	R	Columbia
Jane and the Lost City*	PG	New World
Kandyland*	R	New World
The Keys of the Kingdom (B&W)	NR	20th Century-Fox
La Chevre	NR	European Classics
The Last Blitzkrieg* (B&W)	NR	Columbia
Loves of a French Pussycat	R	Viacom
Made For Each Other (Colorized)	NR	Hal Roach
Man Hunt (B&W)	NR	20th Century-Fox
The Man in the Gray Flannel Suit	NR	20th Century-Fox
Masterson of Kansas	NR	Columbia
My Name is Julia Ross (B&W)	NR	Columbia
Nice Girls Don't Explode*	PG	New World
The Night Stalker	R	Almi
Nightmare at Shadow Woods	R	Morning Star
None Shall Escape* (B&W)	NR	Columbia
Open House	R	Intercontinental
The Pied Piper (B&W)	NR	20th Century-Fox
Return to Waterloo	PG13	Fox/Lorber
Rolling Vengeance	R	Apollo
The Secret of My Success	PG13	Universal
Sitting Pretty	NR	20th Century-Fox
Sloane	NR	Skouras
The Snake Pit (B&W)	NR	20th Century-Fox
The Son of Dr. Jekyll* (B&W)	NR	Columbia
Special Delivery	PG	MGM/UA
Summer Camp Nightmare	PG13	Concorde
Stormy Weather (B&W)	NR	20th Century-Fox
Superman II	PG	Warner Bros.
Superman IV: The Quest For Peace	PG	Warner Bros.
They Still Call Me...Bruce	PG	Hal Roach
Tough Enough	PG	20th Century-Fox
The True Story of Jesse James	NR	20th Century-Fox
Twelve O'Clock High (B&W)	NR	20th Century-Fox
23 Paces To Baker Street	NR	20th Century-Fox
Video Murders*	NR	TWE
Viva Zapata! (B&W)	NR	20th Century-Fox

Original Programming/Specials

Crazy About the Movies:
Gregory Peck -- His Own Man
The Max Movie Show (#2)
Cinemax Comedy Experiment: K.O. Kippers

The Lost Boys

Highlights

The Lost Boys**	R	Warner Bros.
No Way Out	R	Orion
Revenge of the Nerds II: Nerds in Paradise	PG13	20th Century-Fox
The Squeeze*	PG13	Tri-Star

The Disney Channel

New Movies

Asterix The Gaul*	NR	Gaumont
Bridge to Teribethia*	NR	Wonderworks
Captain From Castile	NR	20th Century-Fox
Cindy*	NR	Paramount
Country*	PG	Touchstone
Dot and Keeto*	NR	Cori Film
The Elmchanted Forest	NR	Video Media Marketing
Father's Little Dividend	NR	MGM/UA
Flower Drum Song*	NR	Samuel Goldwyn
Fuzzbucket*	NR	Disney/Buena Vista
Huckleberry Finn	NR	Viacom
Ivanhoe	NR	Tri-Star
Jeremiah Johnson	PG	Warner Bros.
The Karate Kid	PG	Columbia
The Legend of Young Dick Turpin*	NR	Disney
My Friend Flicka	NR	20th Century-Fox
The Plymouth Adventure	NR	MGM/UA
Son of Flubber*	G	Disney
Stanley and Livingstone	NR	20th Century-Fox
The Teahouse of the August Moon	NR	MGM/UA
Those Calloways*	G	Disney
Turtle Diary	PG	Samuel Goldwyn
Wizard of Baghdad	NR	20th Century-Fox

Original Programming/Specials

Ashford and Simpson: Going Home*
Bud Greenspan's Summer Olympic Greats #3,4*
A Conversation with Carol Starring Carol Burnett*
Dinosaur*
Disney's Living Seas*
Kaleidoscope Concert: Parachute Express*
An Olympic Dream*
Videopolis Superstar Special*

Carol Burnett

Highlights

A Friendship in Vienna*	Disney
The Care Bears Adventure in Wonderland*	Nelvana
Disney Channel Discovery: The Great Land of the Small*	New World
An Olympic Dream*	Capi Productions
Jean Shepherd's Ollie Hopnoodle's Haven of Bliss*	Disney
Shirley Temple Theatre: Poor Little Rich Girl*	20th Century-Fox

Home Box Office

New Movies

A Man For All Seasons*	G	Columbia
Amazing Grace and Chuck*	PG	Tri-Star
The Big Easy*	R	Kings Road
Chopping Mall	R	Concorde
CreepShow 2*	R	New World
Dead Time Stories	R	Cinema
Death Before Dishonor*	R	New World

Inside Out	R	Hemdale
Ivanhoe*	NR	Taffner
Jaws the Revenge	PG13	Universal
La Bamba*	PG13	Columbia
The Lost Boys**	R	Warner Bros.
The Monster Squad*	PG13	Taft
No Way Out	R	Orion
North Shore	PG	Universal
P.T. Barnum	NR	Hal Roach
Scorpion	R	Crown
Smooth Talk	PG13	Internati
Steal the Sky	NR	HBO Pic
Suspicion	NR	Blum
The 3 Worlds of Gulliver*	NR	Columbia
White Water Summer*	PG	Columbia

Original Programming/Specials

The Adventures of Tom Sawyer: 19: The Great Flog-Leaping Contest* 20: Mr. Dobbins Flips His Wig* 21: No Time For Mumps* 22: Tom's Bad Medicine*
HBO Comedy Hour Live:
Whoopi Goldberg—Fontaine..The Tundra Hoe
HBO Coming Attractions - 8808
HBO Showcase: Tidy Endings
Tanner '88: Part 10 + 11
Vietnam War Story:
The Fragging
Separated
Dusk to Dawn
The Promise
Tales of Little Women:
06: Running From the War*
07: The Unwelcome Mat*
08: Living With Aunt Martha*
09: Nice Work If You Can Get It*
The Survival Series: 'The World of the Beaver'*
America Undercover: Warning: Medicine May Be Hazardous to Your Health
World Championship Boxing: Julio Cesar Chavez vs. Jose Luis Ramirez

Highlights

The Big Easy*	R	Tri-Star
Jaws the Revenge	PG13	Universal
The Lost Boys**	R	Warner Bros.
No Way Out	R	Universal

The Big Easy

(**denotes duplicated and exclusive between Home Box Office and Cinemax)

The Movie Channel

New Movies

Angel on My Shoulder	NR	Viacom
The Best	R	Satori
Bus Stop	NR	20th Century-Fox
Cover Girls	NR	Coca Cola
Duet For One*	R	Cannon
The First Nudie Musical	R	Art Greenfield
The Garbage Pail Kids Movie*	PG	Atlantic
Gentleman's Agreement (B&W)	NR	20th Century-Fox
Hollywood Boulevard	R	Viacom
Hot Pursuit*	PG13	Paramount
I Know Why the Caged Bird Sings	NR	Viacom
Jane Eyre (B&W)	NR	20th Century-Fox
Jaws IV: The Revenge	PG13	Universal
Joy of Mikonos	R	Cal Vista
North Shore	PG	Universal
The Ox-Bow Incident (B&W)	NR	20th Century-Fox
Plenty*	R	RKO/Nederlander
The Rat Race	NR	Paramount
Rolling Vengeance	R	Apollo Pictures
Shenandoah	NR	Universal
The Shoes of the Fisherman	G	MGM/UA
Summer Stock	NR	MGM/UA
The Thief Who Came To Dinner	PG	Warner Bros.
Uncle Tom's Cabin*	NR	Showtime
Viva Zapata! (B&W)	NR	20th Century-Fox

Highlights

Masters of the Universe*	PG	Cannon
No Way Out	R	Orion
Revenge of the Nerds II: Nerds in Paradise	PG13	20th Century-Fox
Robocop*	R	Orion
The Movie Channel's Short Film Showcase	NR	Showtime

Robocop

Showtime

New Movies

All About Eve (B&W)	NR	20th Century-Fox
Badge of the Assassin	NR	Coca Cola
Beat Street	PG	Orion
The Boy Friend	G	MGM/UA
Catch-22	R	Paramount
Convoy	PG	MGM/UA
El Dorado	NR	Paramount
Fish Hawk	NR	Viacom
Francesca Baby	NR	J. Phillips
Go West, Young Girl	NR	Coca Cola
Harlem Globetrotters on Gilligan's Island	NR	Universal
Hot Shot	PG	IFM
Jaws IV: The Revenge	PG13	Universal
The Karate Kid	PG	Columbia
Nana	NR	Viacom
No Way Out	R	Orion
North Shore	PG	Universal
The Odd Couple	G	Paramount
Petticoat Affair	NR	Universal
Play It Again, Sam	PG	Paramount
Psst! Hammerman's After You!	NR	J. Phillips
Revenge of the Nerds 2: Nerds in Paradise	PG13	20th Century Fox
Teahouse of the August Moon	NR	MGM/UA
Tiffany Jones	R	Viacom
Vendetta	R	New Horizons
Working For Peanuts	NR	Scholastic
Young Nurses in Love	R	Vestron

Original Programming/Specials

Celebrity Close Up
Gleason: He's the Greatest
Showtime Championship Boxing
Showtime Coast To Coast
Showtime Comedy Club Network
Star Attraction

Highlights

Crocodile Dundee*	PG13	Paramount
Gotham	NR	Showtime
Hamburger Hill*	R	Paramount
Masters of the Universe*	PG	Cannon
Pirates*	PG13	Cannon
Robocop*	R	Orion

Masters of the Universe

(**denotes duplicated and exclusive between Showtime and TMC)
Note: Movies listed are making their debut on one or more pay services this month. (*) denotes exclusive to the individual service.

The exclusivity squeeze: Regional pays hunt for films

Strong growth by majors and exclusive studio deals leaves few "A" titles unsigned

By Wayne Friedman

If the war between HBO and Showtime for exclusive movies continues, there could be less of Rambo and more subtitled films coming to the regional pay networks. With recent exclusive deals for 20th Century Fox and Paramount packages being picked up by HBO, plus Showtime grabbing smaller studios such as Carolco and Weintraub Entertainment, some industry executives are wary that the regional pay services could be shut out of the marketplace for "A" titles, the top theatrical movies.

For the most part this affects only two services: Prism in Philadelphia and Z Channel in Los Angeles. Prism doesn't plan any changes in programming strategy, says Lynn Lonker, director of programming for the 435,000-subscriber network. She says that although more packages are being locked up by Showtime and HBO, she isn't worried yet. But, she adds, "Ask me again in six to eight months."

By that time, Prism's arrangement to run Paramount "A" title movies will expire, and HBO's exclusive contract will begin, running through 1993. Similarly, the Fox deal with HBO also will start next year and run through 1991. One movie executive source predicts that the regional pay services could see a 20 percent reduction in "A" title movies that are available.

Prices, then, could rise. According to Tim Ryerson, director of programming for Z Channel, "What's happening is that the exclusive deals are heating up the prices for movies." Currently, regionals shell out anywhere from a few cents a sub up to 50 cents a sub for each movie title. This price range is similar to what HBO and Showtime pay. If prices rise, however, that could make times a bit difficult for the pays, maybe more for Prism than for the Z Channel. Longker says that most of Prism's movies are "A" films. Because its sports programming fills up the rest of the time, the network doesn't need to buy lesser-known movies. Z Channel, on the other hand, depends on a mix of box office hits and classic, foreign or obscure independent movies. It is these more eclectic films, say industry watchers, that gives the channel its identity. These smaller films are in greater abundance, and not usually attached to exclusive deals.

There are bright spots for regional pays, however, says Ryerson. HBO's Columbia and Tri-Star exclusive deals will become non-exclusive later this year. That'll mean more "A" titles. Also, Z Channel is growing fast because of the inclusion of Los Angeles Dodger baseball games. Before the baseball season it had around 80,000 subs; now it's over 100,000. The bigger the service, the more leverage Z channel will have in negotiating with the studios in the future, Ryerson says.

Previously, in buying non-exclusive movies HBO also bought sub-license rights from studios in order to resell films to regional pay services. Now that HBO is back in the exclusivity race, this sub-licensing activity could be diminished. "We have got a substantial amount of movies from HBO," says Ryerson, comparable to what Z Channel procures from the other movie studios. Therefore, should the race for exclusivity continue, and films continue drying up, will Ryerson have to buy more independent movies? "Probably so," he says. Complicating matters is that Z Channel is suing HBO for restraint of trade. HBO, in letters to the major film studios, insists that Z's recent addition of ad-supported baseball games devalues HBO's showing of films Z Channel also runs.

The bigger question for the regional pay movie networks, according to one industry expert, is whether HBO and Showtime are feeling competitive pressure from these two regional services. "They do feel we are competition," says Ryerson. "Z Channel poses a threat." Because HBO has been trying to push along Cinemax in the southern California area, Ryerson feels that Z Channel is being seen, for the first time, as a serious competitor. ■

PAY NET GROWTH: 1983-1988

Network	Dec. 1983 Systems/Subs	Dec. 1984 Systems/Subs	Dec. 1985 Systems/Subs	Dec. 1986 Systems/Subs	Dec. 1987 Systems/Subs	July 1988 Systems/Subs
Cinemax	1,800/2.8 mil	2,100/3.3 mil	3,200/3.7 mil	3,300/4.1 mil	3,550/5.1 mil	3,650/5.1 mil
Disney Channel	1,224/610,000	2,173/1.7 mil	3,139/2.5 mil	4,301/3.1 mil	5,112/3.8 mil	5,000/3.8 mil
Festival*	N/A	N/A	N/A	N/A	N/A	N/A/50,000
Home Box Office	5,000/13.8 mil	5,400/14.5 mil	6,900/14.6 mil	6,900/15.0 mil	6,700/15.9 mil	6,700/15.9 mil
The Movie Channel	2,700/2.6 mil	2,900/3.2 mil	3,250/3.2 mil	3,250/3.2 mil	3,250/2.6 mil	3,250/2.5 mil
Playboy Channel	275/500,000	450/720,000	616/753,000	634/633,000	556/544,000	550/490,000
Showtime	2,900/4.7 mil	3,200/5.4 mil	3,200/5.4 mil	3,200/5.4 mil	3,200/5.7 mil	3,200/5.7 mil

*launched May 1987

CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	360	7,135,233
Alternate View Network	247	3,000,000
America's Value Network	1,557	6,000,000
Arts & Entertainment (A&E)	2,600	34,200,000
Black Entertainment Television (BET)	1,200	20,000,000
Cable News Network (CNN)	11,860	46,238,000
Cable TV and Appliance Network*	N/A	1,500,000
Cable Value Network	1,700	19,000,000
CBN Cable Network	8,137	41,642,000
C-SPAN	2,900	37,300,000
C-SPAN II	490	14,200,000
Country Music Television	714	7,100,000
The Discovery Channel	3,000	31,200,000
ESPN	19,123	47,800,000
Eternal Word Television Network (EWTN)	447	9,400,000
FamilyNet	47	1,200,000
The Fashion Channel	600	10,100,000
Financial News Network (FNN)	1,920	28,200,000
FNN/Score	1,150	19,800,000
FNN/TelShop	900	11,600,000
GalaVision	300	1,300,000
Headline News	3,871	32,028,000
Home Shopping Network	1,270	14,636,087
Home Shopping Network 2	295	5,112,658
The Inspirational Network (PTL)	930	10,300,000
International Television Network	56	7,868,900
The Learning Channel	930	12,000,000
Lifetime	3,600	40,800,000
Mind Extension University	84	1,400,000
Movietime	130	5,500,000
MTV	4,780	40,300,000
The Nashville Network	6,987	40,217,000
National Jewish Television (NJTV)	295	6,800,000
Nick At Night	3,165	34,600,000
Nickelodeon	5,955	39,000,000
The Nostalgia Channel	185	2,500,000
Prevue Guide	105	2,100,000
QVC Network	920	12,400,000
Shop Television Network	100	3,600,000
Silent Network	380	10,300,000
Tempo Television	750	12,000,000
The Travel Channel	300	9,000,000
Trinity Broadcasting Network	588	8,522,000
USA Network	10,100	45,200,000
Video Hits-One (VH-1)	1,930	25,700,000
The Weather Channel	3,200	34,300,000
WGN-TV	11,071	24,653,463
WOR-TV	2,293	9,657,482
World Access Television	750	12,000,000
WPIX-TV	858	9,678,474
WTBS-TV	12,770	45,106,000

Pay services

American Exxxtasy	35	25,000
American Movie Classics	1,500	12,000,000
Bravo	350	1,300,000
Cinemax	3,650	5,100,000
The Disney Channel	5,000	3,810,000
Festival	N/A	42,500
Home Box Office (HBO)	6,700	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	600	500,000
Showtime	3,200	5,700,000

Audio services

Cable Radio Network	49	1,566,736
Galactic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,576,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services

Text services	Affiliates	Subscribers
AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
DBC/MarketWatch	462	9,200,000
Electronic Program Guide (EPG)	390	9,200,000
EPG Jr.	156	180,000
Genesis Cable Storytime	39	1,550,000
Reuters News View	127	2,437,000
X*Press Executive	427	5,001,829
X*Press X*Change	427	4,000,000

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,000
Telaction	1	4,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	177,000
Bay Area Religious Channel (BARC)	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KTVT	415	3,588,270
Life Newsvision	35	50,000
Madison Square Garden	108	2,300,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	532,000
Prime Cable	9	381,938
Prime Ticket	55	2,300,000
SportsVision (Chicago)	50	1,300,000
The Sunshine Network	112	1,554,289

Pay services

Home Sports Entertainment Houston/Dallas	196	684,740
Home Team Sports	114	719,000
New England Sports Network	160	262,138
PRISM-Philadelphia	87	422,329
Pro-Am Sports	140	301,000
SportsChannel (Florida)	10	470,000
SportsChannel (New England)	147	942,943
SportsChannel (New York)	94	1,100,000

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.
N/A denotes information not available.
TBA denotes to be announced.
* New service launched June 6, 1988.

Announced services

Satellite-fed services	Expected launch
American Man's Network	2/89
ATV:Advertising Television	10/88
CD/8: The Digital Music Network	9/88
The Computer Channel	1/89
Digital Cable Radio	1st Quarter 1989
Digital Radio Labs	4th Quarter 1988
Interactive Game Network	3rd Quarter 1989
Kids Information Network	4th Quarter 1988
The Landscape Channel	4th Quarter 1988
Laugh TV	3rd Quarter 1988
Main Street	4th Quarter 1988
Show Business Today	1/89
Talk Television	1st Quarter 1989
TNT	10/88
Visions Interface Satellite Network	9/88
Wingtips	3rd Quarter 1988

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8/4/88

AUGUST 1, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

TELCO BAN MAY FALL

USA TOUTS MADE-FOR DEAL

SPOTTING CABLE ON SPOT

AD SALES THE ADI WAY

SYNDEX RULES UNVEILED

BIG CITIES, HOT ISSUES: CTAM'S AGENDA FOR THE FUTURE

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USA Network unveils an ambitious slate of made-for-cable movies, reconfirming its commitment to original programming and showing the clout of its two studio parents.

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Having added only 20,000 subscribers to its original 30,000 universe at launch a year ago, the Festival pay service will go dark at the end of the year. Officials say marketing problems and a lack of channel capacity crippled the fledgling channel.

VC tests auto racing 28
Viewer's Choice switches gears by offering an auto race, and hopes that loyal racing fans will generate sufficient buy rates.

MARKETING

Spotting cable on spot 42
Buying national spot television time for generic channel promotions and program-specific tune-ins is a well-tested tactic, but some cable networks are finding it increasingly difficult to accomplish, while at least one programmer has had its ads rejected.

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Using system employees as on-air talent in promotional ads created through an innovative co-op, the Daniels systems are reaching out to subscribers to explain cable service and increase local awareness. The CSRs are the stars.

FORUM

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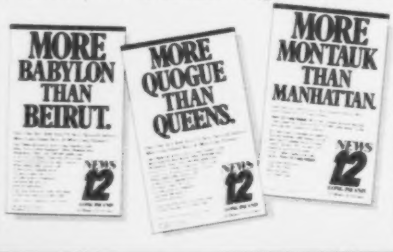
The only constant in cable is change, especially with technological innovations such as fiber optics and HDTV. Cable can profit from these developments through research, writes Richard Leghorn, the acting head of Cable Labs.



BUSINESS AND FINANCE

The ADI approach to ads 64
Local ad sales are taking off, especially in areas where cable can offer advertisers exposure throughout the ADI. Some who are raking it in tell how it's done.

A pre-conference pow-wow for Cable Television Administration and Marketing Society leaders—(from left to right) conference chair David Van Valkenburg, president Margaret Durborow and chairman Rod Thole. Photo by Candace Drake

COVER STORY

Big cities, hot topics 36
CTAM members gathering in Boston this week will be confronted by an agenda that makes clear that cable's marketing future lies in the big cities amid a period of dicey developments. In a roundtable discussion, conference chairman David Van Valkenburg, CTAM President Margaret Durborow and chairman Rod Thole assess the risks and rewards.

BETWEEN THE LINES

Let reason rule in the telco debate

A few years ago, some high officials at the government's nuclear research labs in Albuquerque, N.M., approached the local cable operator with a problem and a request. It seems that some scientists working at the top-secret research center often would take work home with them, or they would awake at night with ideas. These scientists had home computers, and could work from home when need be, but telephone lines weren't technically capable of providing the necessary on-line connections with the center's mainframe computer.

Could the cable operator, who did have the requisite transmission capacity, provide a dedicated computer link for the scientists?

Yes, he could; and he did, providing a useful if unprofitable service in support of the nation's defense program, until the telco got wind of it.

Southwestern Bell complained to the state's telephone regulatory commission, which ruled against the cable operator. The scientists were cut off.

There are many other such examples of innovative uses of cable technology squelched by the Bell companies (we will not here even touch on the issue of pole attachment rates, a scandal that required Congress to correct). And it's likely that most or all of them will be resurrected in the coming debate over the Federal Communication Commission's proposal to make it easier for the Bell companies to offer cable service in their service areas (see story, p.12).

One would expect that, like Mark Twain's cat and the hot stove, the cable industry—having been burned not once but several times—would be rabid in its opposition to even limited entry into the business by the Bell companies.

Many, if not most, cable executives are adamantly opposed to any change in the current cross-ownership rules. They sense a dire threat to the asset base of the cable industry, and take no comfort in FCC assurances that audits by government bureaucrats would prevent destabilizing telco cross-subsidies.

But two cable visionaries see things differently. Bill Daniels and John Malone, if we properly understand their positions, take the view that at least some Baby Bell entry would not be detrimental to the cable business, if done carefully.

TCI apparently perceives the desire by some Bell companies, particularly Pacific Telesis, to get into cable as a business opportunity too good to pass up. Elder statesman Daniels takes the more pragmatic view that, because technology and the information demands of society are driving the two wired media inexorably closer, it will benefit cable to lay aside its fears, acknowledge the inevitable and begin structuring business partnerships.

A common thread in both views is that, if one accepts that Bell entry into cable is a matter of when, not if, it would be better to deal from a position of strength now in structuring those relationships than to have terms dictated to cable after the horse is out of the barn.

For what it is worth, we will reserve judgment for the moment but we do pledge to provide as much information on the debate as possible. We urge everyone in the cable industry to listen carefully to the wise counsel of the NCTA. And if you haven't already, you should read the June issue of *The Daniels Letter* entitled "Let the Dialogue Begin."

Finally, in our view it is incumbent on the Baby Bell executives to give some signal as to what their true intentions are. Meetings between leaders at the highest levels of both industries should take place. Until the cable industry has some firm idea as to what the Bells want, it is understandable that many will fear the worst.

—Steve Tuttle
Editor, Associate Publisher

CableVision

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August 1, 1988
Volume 12, Number 49

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 S. Cherry Street, Suite 400, Denver, Colorado 80222 -or- P.O. Box 5208-TA, Denver, CO 80217. August 1, 1988, Volume 12, Number 49. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 S. Cherry St., Suite 400, Denver, Colorado 80222.

ABP BPA

VC tests PPV niche with auto race

By Wayne Friedman

Pay-per-view service Viewer's Choice is about to find out whether the fast lane is the right lane to carve out another sports programming niche.

This past week Viewer's Choice ran the AC Spark Plug 500 race live from the Pocono International Raceway. The July 24 event was the first ever continuously televised car racing event.

Not all the numbers are in yet, but whether VC offers another race depends on some conservative expectations, says President Scott Kurnit. He estimates the race will get a 1.5 percent buy rate over a potential seven million addressible universe. That's 105,000 buys. "I'm about to find out how dedicated (racing fans) are," says Kurnit.

In looking at network-aired racing events which can average about a 4 rating, Kurnit estimates that half of that audience—approximately 175,000 households—are true race fans who would rather see a race without interruptions. In a normal race covered by a broadcast network, commercials interrupt the continuity for viewers in following the leaders and also, unfortunately, in witnessing any crashes, says Kurnit.

Who makes money on the race? Kurnit says cable operators will get into the black. As for Viewer's Choice, Kurnit walks the fence. "I could lose money," but he also could make some.

That forces the question, can smaller-scale events such as car races be profitable in PPV? "The answer is definitely yes," say Bruce Karpas, senior vice president of RME Productions, a unit of Reiss Media Enterprises, which runs the rival PPV service Request Television. "You can do very well with 2 percent buy rates." But, adds Karpas, "the event has to be special."

Viewer's Choice sold the AC Spark Plug race to other PPV services, including Home Premiere Television and Cable Video Store, plus individual cable systems, including some that also carry the Request service. The race will be repackaged for syndication. Viewer's Choice will participate in revenues of these aftermarket rights. ■

ESPN eyes wildlife shows as NHL sub

ESPN lost a chunk of programming when the National Hockey League was lured by a $50 million SportsChannel America deal. What will take hockey's place? Loren Matthews, vice president of programming for ESPN, says he's exploring a number of ideas, including wildlife and nature shows.

Because its Saturday morning fishing and hunting shows do fairly well, Matthews says ESPN has been considering promoting the genre to more lucative dayparts. "It has a very loyal audience," he says. "We'll see if it's ready for primetime."

Matthews, who says those shows have been doing low 1 ratings, is also considering what the network calls "all-American events." Those include the narrowest of targeted programs, like rattlesnake hunts and lumberjack contests.

He also points out that because hockey preempted some boxing and Arena Football programming, those reinstated events will help fill in the blanks next year.

Although the hockey season starts in the fourth quarter, the bulk of ESPN's NHL games were seen in the first and second quarters, so there isn't any need for wholesale programming moves just yet. Matthews did, however, hint that some programs would be moved around to take advantage of the high HUT (homes using television) Tuesday nights, which usually includes an NHL game.

Last season ESPN aired eight games in the fourth quarter, 25 in the first quarter, and the valuable 37 Stanley Cup playoff contests in April and May. The Stanley Cup grabbed a 1.7 Nielsen Homevideo Index rating, up 13 percent from the year before. The regular season games posted a 0.8, down 13 percent from the year before. ■

	Date	Program	Net	Rating	Homes
1.	7/14	Baseball: Braves-Mets	TBS	3.3	1,494,000
2.	7/16	Baseball: Braves-Mets	TBS	3.2	1,467,000
3.	7/15	Baseball: Braves-Mets	TBS	2.9	1,300,000
4.	7/17	Baseball: Braves-Mets	TBS	2.5	1,115,000
5.	7/11	Old Timer's Baseball Classic	ESPN	2.4	1,169,000
6.	7/13	Baseball: Triple A All-Star Game	ESPN	2.1	1,004,000
7.	7/14	Thurs. Nights Fights: Kearney-Taylor	USA	1.9	836,000
8.	7/17	LPGA Golf Boston Five Classic	ESPN	1.8	860,000
9.	7/11	SuperBouts: Leonard-Hagler	ESPN	1.8	860,000
10.	7/15	Top Rank Boxing: Blake-Lopez	ESPN	1.8	860,000

Source: Nielsen HomeVideo Index

■ **Greater Media Cable in Philadelphia** has introduced "Split Screen Viewing," in which one channel carries four separate video feeds. Aimed at sports fans, the service allows simultaneous viewing of four games, with audio alternating among the feeds every 20 seconds. Through a wireless remote control unit, subscribers can switch to the channel and catch different games in progress, or turn to the game of choice on its regular designated spot on the system. Cable SportsTracker, the text service of scores and trivia, will be programmed when three games are running. Greater Media basic subscribers will get the channel at no extra charge.

PROGRAMMING/Pay-Per-View Supply Chart

August — Source

Action Jackson (8/1) — Lorimar
MPAA Rating: R — Running Time: 95.58 mins.
Cast: Carl Weathers, Vanity.

Brain Damage (8/11) — Paramount
MPAA Rating: R — Running Time: 84 mins.
Cast: Rich Herbst, Gordon McDonald, Jennifer Lowry.

Bugs Bunny Superstar (8/1) — MGM/UA
MPAA Rating: G — Running Time: 91 mins.
Cast: Animated.

D.O.A. (8/19) — Touchstone
MPAA Rating: R — Running Time: 98 mins.
Cast: Dennis Quaid, Meg Ryan.

Eddie Murphy "Raw" (8/11) — Paramount
MPAA Rating: R — Running Time: 91 mins.
Cast: Eddie Murphy.

Full Metal Jacket (8/3) — Warner Bros.
MPAA Rating: R — Running Time: 116 mins.
Cast: Matthew Modine, Adam Baldwin, Vincent D'Onofrio.

Hello Mary Lou: Prom Night II (8/1) — S. Goldwyn
MPAA Rating: R — Running Time: 96 mins.
Cast: Michael Ironside, Wendy Lyon.

High Tide (8/30) — HBO Enterprises
MPAA Rating: PG13 — Running Time: 104 mins.
Cast: Judy Davis, Jan Adale.

The Howling III (8/1) — Vestron
MPAA Rating: PG13 — Running Time: 94 mins.
Cast: Barry Otto, Imogen Annesley, Max Fairchild.

The Manchurian Candidate (8/19) — MGM/UA
MPAA Rating: PG13 — Running Time: 128 mins.
Cast: Frank Sinatra, Laurence Harvey.

Moving (8/24) — Warner Bros.
MPAA Rating: R — Running Time: 89 mins.
Cast: Richard Pryor, Randy Quaid, Beverly Todd.

September (8/1) — Orion
MPAA Rating: PG — Running Time: 82 mins.
Cast: Mia Farrow, Denholm Elliott, Diane Wiest, Jack Warden.

68 (8/1) — HBO Enterprises
MPAA Rating: R — Running Time: 99 mins.
Cast: Eric Larson, Sandor Tecsi, Robert Locke, Neil Young.

A Tiger's Tale (8/11) — Paramount
MPAA Rating: R — Running Time: 91 mins.
Cast: Ann-Margaret, C. Thomas Howell, Charles Durning.

The Trouble With Spies (8/1) — HBO Enterprises
MPAA Rating: PG — Running Time: 88 mins.
Cast: Donald Sutherland, Ruth Gordon, Lucy Gutteridge.

Wall Street (8/1) — 20th Century-Fox
MPAA Rating: R — Running Time: 126 mins.
Cast: Michael Douglas, Charlie Sheen, Daryl Hannah.

You Can't Hurry Love (8/27) — Vestron
MPAA Rating: R — Running Time: 91 mins.
Cast: Sally Kellerman, Charles Grodin, Kristy McNichol.

September — Source

Batteries Not Included (9/15) — Universal
MPAA Rating: PG — Running Time: 102 mins.
Cast: Hume Cronyn, Jessica Tandy.

Coming Up Roses (9/1) — Skouras
MPAA Rating: PG — Running Time: 90 mins.
Cast: Dafydd Hywel, Iola Gregory.

18 Again (9/15) — HBO Enterprises
MPAA Rating: PG — Running Time: 120 mins.
Cast: George Burns, Charlie Schlatter, Tony Roberts.

Empire of the Sun (9/21) — Warner Bros.
MPAA Rating: PG — Running Time: 152 mins.
Cast: John Malkovich, Miranda Richardson, Nigel Havas.

Half of Heaven (9/1) — Skouras
MPAA Rating: NR — Running Time: 124 mins.
Cast: Angela Molina.

The Milagro Beanfield War (9/15) — Universal
MPAA Rating: R — Running Time: 118 mins.
Cast: Sonia Braga, Ruben Blades, Melanie Griffith.

Planes, Trains and Automobiles (9/15) — Paramount
MPAA Rating: R — Running Time: 93 mins.
Cast: Steve Martin, John Candy.

Police Academy 5: Assignment Miami Beach (9/28) — Warner Bros.
MPAA Rating: PG — Running Time: 90 mins.
Cast: G.W. Bailey, Bubba Smith, Janet Jones.

Promised Land (9/17) — Vestron
MPAA Rating: R — Running Time: 96 mins.
Cast: Kiefer Sutherland, Tracy Pollan, Meg Ryan.

Student Affairs (9/17) — Vestron
MPAA Rating: * — Running Time: 92 mins.
Cast: Louie Bonanno, Jim Abele.

The Telephone (9/1) — HBO Enterprises
MPAA Rating: R — Running Time: 97 mins.
Cast: Whoopi Goldberg, Elliott Gould, John Hurt.

Traxx (9/17) — HBO Enterprises
MPAA Rating: R — Running Time: 84 mins.
Cast: Shadoe Stevens, Priscilla Barnes, Willard Push.

White of the Eye (9/15) — Paramount
MPAA Rating: R — Running Time: 111 mins.
Cast: David Keith.

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events. 24 hours per day, ap prox. 50 titles per month	Available in systems serving 1,000,000 addressable subscribers)
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	First-run movies, special events.	Available in systems serving 2,800,000 subs. (1.4 million addressable).
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	Available in systems serving 1,000,000 addressable subscribers'
Request Television	November 27, 1985	Galaxy I, tr. 12	VideoCipher II	Min. of four major motion pictures per week over 14-day cycle, special events	Available in systems serving 4 million subs. (2.8 million addressable).
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Channels I & II: First-run movies, special events	Available in systems serving over 3 million subs.
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: 2 movies per week, the newest and top-selling. Channel 2: Cult favorites, and top of the charts video store sellers. Channel 3: Additional plays of movies on 1 & 2 (frequency channel).	Available in systems serving 160,000 subs.(60,000 addressable).

Do we subscribe or not? That's the question one family faces while looking over an HBO program guide. One scene from the network's new Summer of '88 *broadcast promo drive.*

Spotting cable on spot

By Wayne Friedman

"It's kind of like putting a Ford display in a Chrysler showroom," says Gene McHugh, general sales manager of WATL-TV Atlanta. That's what happens when cable networks advertise on the broadcast networks or through national spot television.

Over the last few years, TV stations and networks needing every ad dollar possible overlooked the obvious competitive nature of cable, and accepted programmer ads as long as certain guidelines were adhered to. Now, it seems, the competitive drive is asserting itself, and some cable networks are either finding it tough to buy over-the-air time or are totally shut out of the station marketplace.

When cable networks go shopping for TV ad time, a major part of their campaigns involves buying national spot television. The spot market allows cable nets, much as other advertisers, to buy a select group of stations, say the Top 10 markets or stations in a specific region, that fit their individual marketing needs.

But this marketing opportunity is closing for some cable networks. Andrew Besch, vice president of marketing for USA Network, says that for the first time USA recently was turned away in attempting to buy spot television. And the reason is no mystery, station executives say. With purchases of *Murder, She Wrote* and *Miami Vice*, the cable net is looking more like a national independent station, which puts it in direct competition with local TV outlets. "We got the door slammed rather soundly," Besch says.

For some programmers, buying national spot TV time can be difficult. For others, it's impossible.

USA Network tried to buy time on CBS affiliates in Dallas, San Francisco, Detroit and other markets to air program-specific, but not time-specific, ads for its costly *Murder, She Wrote* reruns due to premiere Oct. 3. The original episodes ran on the CBS Network. For *Miami Vice*, also to premiere on Oct. 3, the network tried the same strategy, planning a schedule of spots on NBC affiliates in Boston, Chicago, New York and Los Angeles, as well as other markets, which air *Vice*'s first-run episodes.

The strategy was simple in both cases. Promote the shows in major markets on affiliates where the original episodes ran. "We wanted to reach the *Vice* audience," says Besch. Also the *Murder, She Wrote* audience. Jim Clayton, director of sales for CBS affiliate WJBK-TV Detroit, turned away USA's business because "We will not take ads of specific programs because that is in direct conflict (with the station)."

Besch hoped for exposure in the Top 20 markets to boost awareness of USA's two off-network properties to garner the most efficient use of marketing dollars. Aiming for markets outside the Top 20, says Besch, is an alternative but it's also more costly. Ray Johns, president of Seltel, a television sales rep that sells national spot, thinks the smaller market strategy can work. "TV stations are looking for revenue anyway they can," he says. "The majority of stations would entertain the idea."

No time for cable shows

At issue is the diverting nature of some cable program advertisements. No station would be happy airing, for example, a Lifetime ad telling viewers "Watch *Cagney and Lacey* tonight at 8 p.m." That is too direct, and could cause channel zapping. But ads promoting the cable program with no reference to channel and time, or ads which merely inform viewers about the

See **Spot**, *page 44*

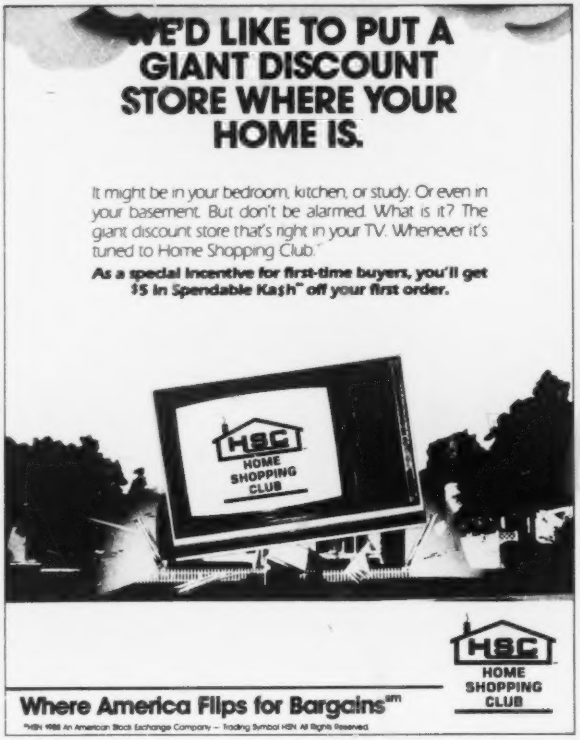
Spot, *from page 42*

network in general, have been acceptable to stations.

Home Shopping Network has conformed to those standards. Last year HSN launched a major national spot blitz to market its shopping service. Because HSN doesn't have traditional programming blocks, the guidelines for airing HSN ads were stricter than just omitting day, date and time. Scott Campbell, vice president of affiliate relations for HSN, says it wasn't allowed to mention the channel number.

Of HSN's $25 million spent on marketing last year, about 25 percent was devoted to TV spot advertising. This year Campbell says HSN will spend about the same. But it's not getting any easier. "We have a heck of a time getting clearance," says Campbell. "Now that we have broken the ice, it's good, but as we grow the less inclined they'll be to take us on as advertisers."

Ron Harris, vice president of advertising and promotion from Turner Broadcasting, also likes spot, but "it's getting harder" to purchase. Currently about 10 percent of his marketing budget goes into spot television. In years past, he had been able to spend up to 20 percent of his budget on spot. "There hasn't been a great deal of welcome" by stations, he says. Still, in marketing the new TNT service, spot television dollars are in this year's budget.



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Home sweet home has been replaced by the store-in-the-set, according to Home Shopping Network's multi-media marketing push.

Necessary Inefficiencies

For many cable networks, television still represents an effective way to increase viewership—either via broadcast networks, national spot, or on other cable networks. For some networks, the broader reach of over-the-air outlets enables them to tap into a bigger pool of potential viewers. But other programmers shy away from over-the-air advertising because of the waste. Many cable networks by design are structured for specific viewers; seeking network viewers—a broader audience mix—therefore can be inefficient.

A number of cable networks, especially basic nets, see that inefficiency as a necessary downside to a greater potential upside. "To buy the kind of

See **Spot**, page 49

Spot TV buys by some cable networks

1st Quarter 1988

Cinemax	$2,117,600
Nickelodeon	1,199,100
HBO	1,115,100
VH-1	401,400
The Disney Channel	218,200
Showtime	153,200
American Movie Classics	36,200
The Movie Channel	31,700
SportsChannel	22,500
The Discovery Channel	5,600
USA Network	1,900
CBN Cable Network	1,300
MTV	400
CNN	100

Source: Broadcast Advertiser Reports

1st Quarter 1987

HBO	$3,622,500
Showtime	149,100
Cinemax	136,600
SportsChannel	33,100
The Disney Channel	30,500
The Movie Channel	17,800
USA	15,600
CNN	14,400
WTBS	14,100
ESPN	7,500
A&E	6,100
Lifetime	4,900
The Nashville Network	300

Total 1987 National Spot

HBO	$6,376,600
Cinemax	4,360,200
MTV	1,296,400
The Disney Channel	1,226,600
Nickelodeon	429,000
Showtime	336,200
SportsChannel	317,900
ESPN	79,900
The Movie Channel	62,000
CNN	43,800
USA Network	29,900
CBN	19,800
WTBS	18,800
A&E	13,500
American Movie Classics	12,500
Lifetime	6,300
The Discovery Channel	2,100
The Nashville Network	300

Spot, *from page 44*

schedule we are looking to buy, we really have no choice," says Robert Friedman, senior vice president of marketing and promotion for MTV/VH-1. "There is going to be an element of waste."

To pare that down, many networks purchase national spot in place of the broadcast networks. "We'll use television and cherry pick," says Friedman. For example, an MTV spot reaches 85 percent of its targeted audience. That audience will see the ad an average of five or six times over the course of a three-week flight. "We'll buy a show that'll skew to the demo," he says.

Accomplishing that goal consistently is difficult, however. Friedman says the number of network and syndication shows fitting the profile of the four MTV Networks channels is small. For MTV, the network currently buys young adult/older teenager audience programs such as *Late Night with David Letterman* and *Saturday Night Live*. "In some cases we'll buy some of the morning (network news) shows to reach the advertising trade," says Friedman, in order to tap older viewers. Other MTV Networks services, such as Nickelodeon, buy early-fringe time periods on stations, where chunks of kids programming is scheduled.

Direct mail, the retail store

Back in the heyday of pay cable, when network television viewers were clamoring for movie services, HBO concentrated its TV ads on the broadcast networks. Now that the pay cable fever has subsided somewhat, the pay service has seen that it needs to be more aggressive locally with national spot as an important marketing tool. Dan Levinson, vice president of advertising and promotion for HBO, says the other major marketing tool is direct mail.

The switch to customizing HBO's message to individual markets is more efficient, says Levinson. "When you buy network television there is no guarantee that there will be local retail activity (i.e., direct mail). So we tend to put our media where the local action is. Direct mail becomes the retail store," he says.

Levinson adds that spot television accounts for roughly 35 percent of HBO's $50 million-plus yearly marketing budget. Among its major promotions, HBO runs three big seasonal campaigns, spending around $10 million for each.

In the future, cable networks' reach into over-the-air stations will become more difficult. That is why many are shifting ad dollars into other areas, and radio is one effective route. With radio, a network can buy specific demographics to suit its needs. Networks which have taken a pass on spot buy radio for just this reason. Many other networks that do use spot TV also buy radio time as a complement. Also, cable networks buy time on other cable networks either directly or through local system avails.

Print is another alternative. MTV, for instance, has increased its exposure in print to cover the many networks and programs.

When money talks...

It is ironic that as cable is being pressured to find other media in which to advertise, the broadcast networks are spending more advertising dollars

See **Spot**, *page 53*

predicament

Find one sure-fire method for building audiences, retaining subscribers and increasing upgrades.

Prevue Guide puts audience-building program promotion and program logs on one channel. And subscribers view this as a solution to their need for current information.

Be a hero. Put Prevue Guide on your cable system. Your viewers will thank you . . . and watch you.

Cheers
WGN
8:00 p.m.
Channel 23
8 ESPN — CANADIAN GRAND PRIX
14 A&E — THE BOYS OF SUMMER
17 SHOW — MOVIE: DRAGNET · CONT
22 MAX — MOVIE: LA BAMBA
42 TDC — THE DISCOVERY CHANNEL

PREVUE Guide SM

THE NEW POWER IN PROGRAM PROMOTION

For a Prevue Guide Video Prevue

Spot, *from page 51*

on the cable networks. That caused USA's Besch to wonder why affiliates that benefit from their network's promotional efforts would be so nervous when cable programmers try to do the same.

This is not to say that all cable nets are having problems buying spot. MTV, for instance, buys plenty (see chart), especially for Nickelodeon, which jumped in the first quarter of this year. The pays, apparently due to their lesser distribution, also don't have problems buying spot. Other programmers, like The Nashville Network, say over-the-air is just too costly and, again, less efficient than buying time on other cable networks or radio.

For those channels that have encountered resistance by TV stations, experts says things will turn around. Andrew Sereysky, vice president of advertising and program promotion for Showtime/TMC, recalls that years ago network affiliates shunned cable advertising because of its potential threat, even though independent stations never seemed to mind. But the current paranoia shouldn't be around too long: "Given the economics of the television industry, (stations) will take whatever they can get," says Sereysky.

Some stations executives agree that advertising guidelines can be worked out to give cable the exposure it wants. "Generally, it wouldn't be a problem," says Jack Donovan, general sales manager at independent WPWR-TV Chicago, on taking cable ads. Another independent, WATL-TV Atlanta, says it also is cable-friendly. "We never had any restrictions," says General Manager John Serrao, concerning cable ads.

Even those few network affiliates which have stopped selling time to cable will come around, says one advertising agency executive, especially when the cable advertising cloud clears to reveal a profitable bottom line. And then there are those that continue to do business with cable. WJBK's Clayton won't stop the extra dollars coming his way—his station sells time for HBO, for instance. But like HBO's spots they need to be generic ads. What does this mean? One advertising executives says just like many other television enterprises, "The affiliates want their cake and eat it, too." ■

MARKETING NOTES

■ **Home Box Office launched a new** affiliate incentive program July 11, aimed at lifting hotel/motel market sales.

As part of the program, HBO will pay a bonus to affiliates that sign a two-year contract with hotels or motels in their service area, provided that the network is launched this year. The bonus amounts to $3 per room. Hotels not open on a year-round basis must sign at least a three-year contract in order for the affiliate to qualify for bonus payments.

A separate $2 per-room bonus will go to the participating hotel or affiliate towards purchase of marketing materials to be delivered to the hotel at no charge.

The program, dubbed "Hot Hotel Hunt '88" is in effect through Labor Day.

■ **Home Shopping Network soon** will begin marketing health care and financial planning services to the public, under a pair of joint venture arrangements concluded last week.

Vitamins and minerals, together with other health and nutritional goods,

preconceived notion

Only the major cable networks are attracting viewers

BLUE POINT
'Stand By Me'
Showtime
8:00 p m
Ch 23
FRI JAN
8:00 PM
04:56 PM
21 VH-1
VIDEO HITS ONE
23 SHOW
STAND BY ME
26 CNN
TAKE TWO
29 WPIX
HILL STREET BLUES
31 CBN
REMINGTON STEELE

The fact is, Prevue Guide rates right up there with the top-ranked cable networks, finishing second only to WGN/WTBS in cume weekly viewership.

WGN/TBS 59.7%

PREVUE GUIDE 54%

USA 33.9%

ESPN 29.5%

CNN 22.4%

CBN 20.1%

PREVUE Guide SM

THE NEW POWER IN PROGRAM PROMOTION

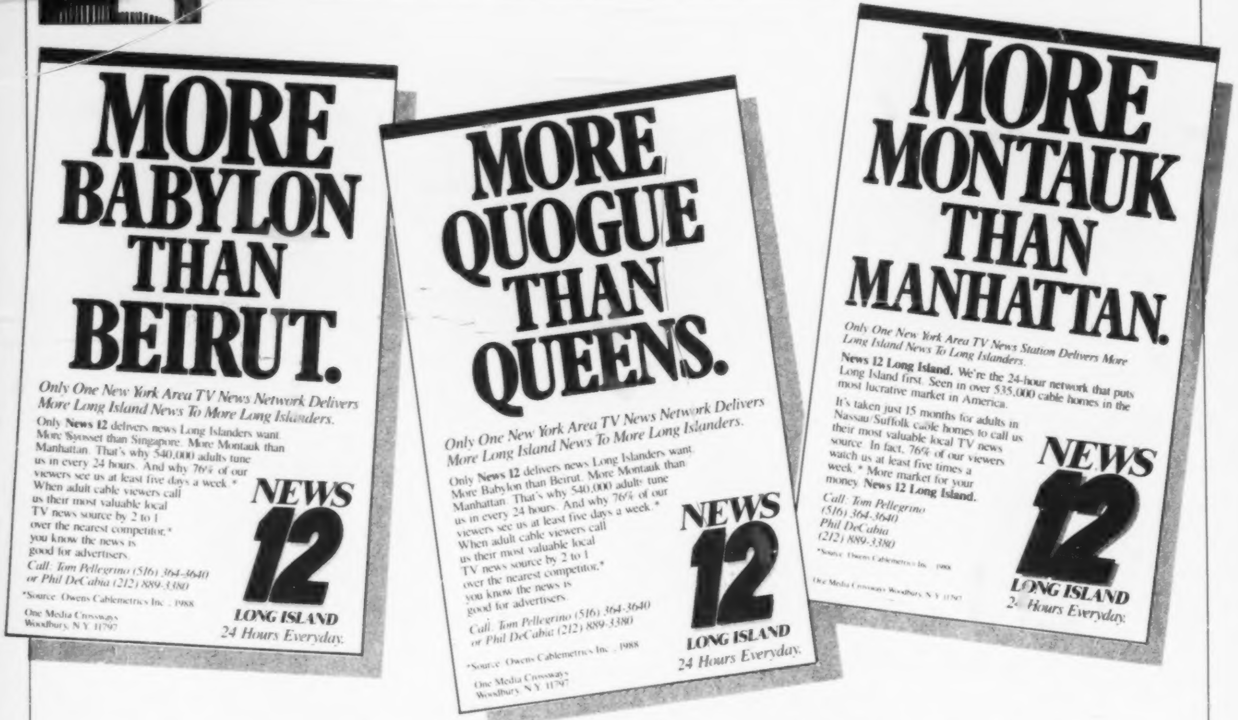
Prevue Guide subscribers are *active viewers* (55% use Prevue Guide to plan the next programs to watch; 80% find the prevues enjoyable). Prevue Guide subscriber tune-in isn't such a crazy notion after all.

Sources: Malarkey-Taylor Associates' average useage study, 1988. A.C. Nielsen, Feb. 1988 NHI Special Viewership Report (ex. Chicago & Atlanta DMA's). Cable Network figures are weeklong cumes. Complete survey results available on request.

CALL 1-800-331-4806

For a Prevue Guide Video Prevue

BUSINESS & FINANCE



MORE BABYLON THAN BEIRUT.

Only One New York Area TV News Network Delivers More Long Island News To More Long Islanders.

Only **News 12** delivers news Long Islanders want. More Syosset than Singapore. More Montauk than Manhattan. That's why 540,000 adults tune us in every 24 hours. And why 76% of our viewers see us at least five days a week.* When adult cable viewers call us their most valuable local TV news source by 2 to 1 over the nearest competitor,* you know the news is good for advertisers.

Call: Tom Pellegrino (516) 364-3640 or Phil DeCabia (212) 889-3380

*Source: Owens Cablemetrics Inc., 1988

One Media Crossways
Woodbury, N.Y. 11797

NEWS 12 LONG ISLAND
24 Hours Everyday.

MORE QUOGUE THAN QUEENS.

Only One New York Area TV News Network Delivers More Long Island News To More Long Islanders.

Only **News 12** delivers news Long Islanders want. More Babylon than Beirut. More Montauk than Manhattan. That's why 540,000 adults tune us in every 24 hours. And why 76% of our viewers see us at least five days a week.* When adult cable viewers call us their most valuable local TV news source by 2 to 1 over the nearest competitor,* you know the news is good for advertisers.

Call: Tom Pellegrino (516) 364-3640 or Phil DeCabia (212) 889-3380

*Source: Owens Cablemetrics Inc., 1988

One Media Crossways
Woodbury, N.Y. 11797

NEWS 12 LONG ISLAND
24 Hours Everyday.

MORE MONTAUK THAN MANHATTAN.

Only One New York Area TV News Station Delivers More Long Island News To Long Islanders.

News 12 Long Island. We're the 24-hour network that puts Long Island first. Seen in over 535,000 cable homes in the most lucrative market in America.

It's taken just 15 months for adults in Nassau/Suffolk cable homes to call us their most valuable local TV news source. In fact, 76% of our viewers watch us at least five times a week.* More market for your money. **News 12 Long Island.**

*Call: Tom Pellegrino
(516) 364-3640
Phil DeCabia
(212) 889-3380*

*Source: Owens Cablemetrics Inc., 1988

One Media Crossways Woodbury, N.Y. 11797

NEWS 12 LONG ISLAND
24 Hours Everyday.

Cablevision Systems touts its control over the Long Island DMA by offering —and marketing—its News 12 service.

The advertising payback from blanketing an ADI

By Virginia Munger Kahn

Lust for local ads now should drive system clustering

When the Group W systems were up for sale three years ago, Allan Eisenberg, executive director of national advertising sales at American Television and Communications, lobbied hard to convince ATC senior executives that buying Group W's Los Angeles area systems would be a smart move. If the company could gain control of a chunk of the Los Angeles market, ATC would control a substantial number of subscribers in the two largest TV markets in the country, thereby increasing ATC's ability to sell local advertising, Eisenberg reasoned.

"There's always been a philosophy of clustering to take advantage of that very thing," Eisenberg said recently. "But I'm not sure other (ATC) executives" saw the rationale behind the push for the L.A. systems, he says. Those systems ended up going to Comcast and Century Communications; ATC bought more than 500,000 Group W subscribers in other major markets.

Industry prognosticators long have touted the day that MSOs begin trading cable systems in order to gain control of ADIs or DMAs (advertising markets which correlate to cities, towns and their surrounding areas). As advertising sales continue to grow in importance as a revenue source, the reasoning goes, operators will move to control these areas in order to compete on an equal footing against newspapers and broadcast stations for advertising dollars.

As Eisenberg's experience indicates, that day has not quite arrived. Major markets, such as New York, Los Angeles and Philadelphia, still are fragmented and served by numerous cable operators. Many cities still are undergoing development, and clustering strategies continue to be driven by the desire to increase the number of subscribers and to gain management efficiencies, but not advertising dollars.

That this is the case is understandable. This year net operator advertising revenues should total $309 million, or about two percent of total cable revenues of $12.8 billion, according to figures compiled by Paul Kagan Asso-

See **Ads**, *page 66*

Ads, *from page 64*

ciates. By 1994, however, that percentage should more than double and operators will be pulling down more than $1 billion in advertising income.

Most large MSOs say they understand the importance of providing a unified market approach to ad sales if they are going to successfully exploit this growing revenue stream. The concept is important when it comes to selling advertising on the local level in terms of ease of transaction and simplification of the message going into the market.

But, where the concept is critical is in the sale of advertising on a regional or national spot basis, because as Bob Fennimore, president of Rainbow Advertising Sales Co., notes, "that's the only way (its) sold."

Many cable advertising executives feel that it is in regional and national spot sales that the real growth in advertising will come in the future and therefore it is incumbent on cable executives to start thinking seriously in terms of unified advertising markets. Eventually cable will carve out a unique niche for itself that also will take advantage of its ability to target discrete markets, these executives say. But first, cable operators must compete on a market-by-market basis.

Evidence is that where cable companies do control a large proportion of their geographic market, they are having more success with advertising sales than those companies in more fragmented markets. Where a single cable operator does not control an ADI, the companies have taken other steps, such as forming interconnects, to act as one-stop buying shops for regional and national advertisers.

Specifically, those companies with the best advantages are those that cover medium-sized markets where control of a large percentage of the ADI is in the hands of a single operator. Those types of systems generate "a helluva lot more national and regional advertising" than systems located in major markets, notes Bill Bernard, president of United Cable Advertising Inc., a subsidiary of the Denver-based MSO.

For Bernard, that means United's Hartford, Conn.; Tulsa, Okla.; and Denver cable systems perform the best based on the percentage of available local ad dollars in the market. For ATC, that means its Orlando/Melbourne, Fla., and Honolulu, Hawaii, systems are particularly successful. Cox Cable reports that Santa Barbara, the 125th ADI, and Gainesville, Fla., the 150th ADI, are its most profitable cable ad sales markets.

'The heart of the matter is that the (advertising sales) rep has a much better story to tell' in smaller ADIs.

—Bill Bernard,
president,
United Cable Advertising

The key to success in places like that, according to MSO ad sales executives, is the lack of strong competition from network owned-and-operated stations and independents. In the major markets where these broadcast outlets dominate, pricing is highly competitive. With so many advertising outlets, a demand/supply situation takes over. As David Kantor, vice president for ad sales at Cox Cable Communications, notes, "We can't charge more than affiliates."

Also, advertising agencies tend to demand more ratings information and cost analysis in major markets, two areas where many cable operators still cannot compete with broadcasters.

Finally, MSOs have a greater chance of owning a large or majority stake in the franchises covering these medium-sized cities as opposed to the franchises for major markets such as New York and Los Angeles. "The heart of the matter is that the (advertising sales) rep has a much better story to tell" in these smaller ADIs, says Bernard.

For example, United Cable serves 60 percent of the homes passed in Hartford, which may represent as much as 40 percent of the ADI. In contrast, in Los Angeles, United Cable's 35 percent of homes passed may represent only 12 percent of the entire ADI.

"There's no question about it; in smaller ADIs we are TV," says Cox's Kantor. Kantor estimates that Cox probably takes out half as much ad money from major markets as it does from markets such as Santa Barbara and Gainesville. This year both those markets will generate more than $20 per subscriber in advertising revenues.

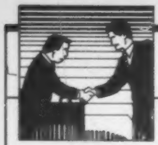
George Bernard, vice president for ad sales at Daniels & Associates, also says his company's systems in medium to small markets are the best performers in ad sales right now. San Bernardino, Calif., for example, will do over $1 per subscriber per month this year, he says, while Sonora, near Yosemite National Park, is completely outside any ADI and yet has one the company's best ad sales efforts.

ATC's Eisenberg says his company pushes the ADI concept in its central Florida operations, where systems in Orlando and Melbourne, which together represent more than 217,000 households, will generate over $2 million in ad sales this year. The company's Honolulu system, which serves about 200,000 homes, also will generate $2 million this year in sales.

When cable operators cannot control a market, however, they have devised innovative approaches to unifying the market. Cox Cable, for example, has decided that where it is the majority player, it will seek to represent other operators in selling advertising time on their systems. When it is not the majority player, it has turned over that function to the larger operator.

According to Kantor, "we'd like to purchase subscribers. But in all the markets where we are the dominant operator, we'd like to 'turnkey' the ad sales effort." That strategy recently has led the company to take control of the Tidewater Interconnect in southern Virginia from Warner Cable and Daniels. More recently it has negotiated with Metrovision to run the ad sales efforts in Omaha, Neb., where

See **Ads** *page 68*



Ads, *from page 66*

TOP 10 INTERCONNECTS

	Interconnect	Coverage Area	Subscribers
1.	New York Interconnect	New York City	2,000,000
2.	Cable TV Network of New Jersey	New Jersey	1,401,000
3.	Boston Interconnect	Boston	902,000
4.	Connecticut Cable Network	Connecticut	808,916
5.	Greater Philadelphia Cable	Philadelphia	709,000
6.	Bay Area Interconnect*	San Francisco-Oakland	675,000
7.	Detroit Interconnect	Detroit	610,000
8.	Tampa Bay Interconnect	Tampa	561,000
9.	Metrobase Cable Advertising	Philadelphia	543,000
10.	Network Media	Chicago	534,000

Source: Cabletelevision Advertising Bureau/interconnects

*Does not reflect announced merger with Cable AdNet in San Francisco. Merged venture will cover approximately one million homes.

both companies now operate.

On the other hand, Cox Cable has turned over the sales effort in Bakersfield, Calif., to Warner, which is the larger operator in that market, and allows its Cranston/Johnson system outside Providence, R.I., to be represented by Colony Communications.

Each market will be "led forward" by one entity, says Kantor, and that's important for eliminating confusion among media buyers and allowing the market to develop to its full potential.

Getting connected

The interconnect is the most well-tested method for approaching the market on a unified basis when in fact there is no unity of ownership. Most major MSOs participate in interconnects in the major markets, and industry executives view these ad sales instruments as long-term players in the business.

"It is enormously important to work with other MSOs to form interconnects," says ATC's Eisenberg. Regional advertisers always are looking for ADIs, and in time interconnects will help national agencies sell national spot advertising, notes United's Bernard.

While it is still early in the game, the interconnects that have been formed so far have been fairly successful. Penny Taylor, general manager for the Northwest Cable Interconnect in Seattle/Tacoma, Wash., predicts that its revenues next year will more than double those of two years ago. Allen Turner, president of the Greater Philadelphia Advertising Interconnect, predicts that this year the system will post revenues of over $2 million, while Fennimore reports the New York cable interconnect currently is running 50.4 percent ahead of last year.

Taylor says she positions the Northwest Interconnect, which is jointly owned by Viacom Cable and Tele-Communications Inc., as a competitor to the three independent television stations in that market and that the interconnect successfully delivers advertisers 12 percent of the TV viewing audience, comparable to the viewing audiences of the indies.

"We're picking their shares," she says of the broadcast stations. "I'm taking other people's advertising."

According to Taylor, the interconnect garners approximately three percent of the money that goes into advertising in that market each year. That percentage is not bad considering that $170 million goes into both national spot and newspaper advertising and another $85 million goes into radio advertising.

But United Cable's Bernard bemoans the low percentages even his top performing systems take out their otherwise successful markets. In Hartford, Denver and Tulsa, advertising going into cable represents approximately 1.5 percent of the total dollars going into advertising. In Los Angeles, while the company is generating $15 to $17 per subscriber, those figures represent just three-quarters of one percent of the total ad dollars being spent in the L.A. market.

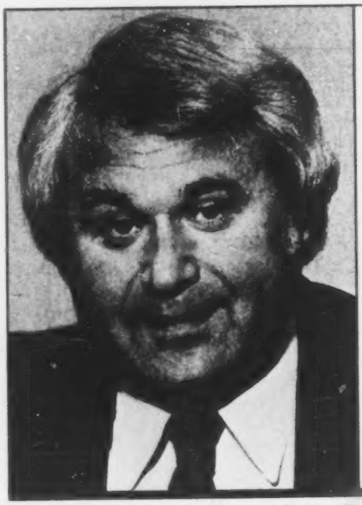
"It is that type of analysis we need to get to in this industry," says Bernard. "Advertising sales is a much more competitive environment" than cable executives are used to operating within, he indicated.

For the long term, most industry executives predict that the percentage of revenues they receive from national spot and regional advertising will grow from current low levels of 10 to 20 percent to perhaps as much as 50 percent of total advertising dollars. Factors that will play a role in the realization of that prediction will be the buildout of the cities, the narrowing down of the ad representative business to one or two powerful firms, and the education of media buyers in buying cable.

If cable could get just a small percentage of the $9 billion spent last year on TV and radio spot advertising, "that would represent a big dollar increase" in cable ad revenues, notes

'There's no question about it; in smaller ADIs we are TV.'

—David Kantor,
vice president/ad sales
Cox Cable Communications



'It is enormously important to work with other MSOs to form interconnects.'

—Allan Eisenberg,
exec. dir./national ad sales
American Television and Communications

Bob Alter, president of the Cable television Advertising Bureau.

In the bigger markets, at least, many industry executives say that cable's ability to attract those regional and national advertising dollars will depend on its ability not only to deliver unified markets to advertisers, but also its ability to provide discrete markets within the larger ADI. "There are many large spot markets with markets within markets," notes Alter, pointing to cities such as Los Angeles, New York and Chicago.

"For the short term, we have to buy ADIs and sell that," says United's Bernard. "But that throws away the geographic selectivity that is cable's strength. If we sell ADIs, we'll end up on the bottom of the heap," he asserts, reflecting a common view among industry executives that local broadcasters always will be more efficient buys for advertisers trying to reach an entire market.

The answer is to define smaller geographic areas where cable is dominant and then sell those Areas of Cable Influence, as Bob Alter puts it. As it is, advertisers such as auto dealer associations, certain franchisees and financial services often are structured along territorial lines that do not necessarily jive with total ADIs, he notes.

Two companies that have found the sub-market concept to be successful have been Cablevision Systems and Viacom, both of which have carved out the Long Island market from the New York ADI and found it to be among their most lucrative ad sales efforts. "We can generate revenues unthought of before," said Rusty McCormack, vice president of Cablevision and RASCO.

In 1982 when Cablevision first started its ad sales efforts, it projected it would generate $225,000 in advertising revenues. Instead, it generated $1.2 million and the business has been going that way ever since. This year Cablevision will exceed $16 per subscriber in local ad sales alone, according to McCormack.

Cablevision is unique in that it sells its regional news and sports services along with other cable channels to advertisers on a local, regional and national basis. Recent national advertisers on those channels have included Lever Brothers, Dupont and Citibank.

Advertisers are "buying as if (we) had a TV station out here," he says, noting that Cablevision serves 65 percent of all the homes on Long Island. There are no major television stations there.

The Bay Area Interconnect, which now represents 50 percent of the San Francisco ADI, will seek to provide national advertisers with the ability to reach that entire market as well as discrete markets within the ADI. Those markets may be defined as those that are heavily penetrated or those that fit certain zip codes or pockets of demographics, says Viacom Director of Advertising Sales Dan McCarthy.

"We don't need to put ourselves in the same boat as broadcasting," notes McCarthy. "We can do a lot that TV can't do," he says.

In the end, executives note that cable first must get the fundamentals down of selling advertising to national and regional advertisers. As one advertising industry executive put it, buying cable on a national spot or regional basis has not been made easy. ■

This notice appears as a matter of record only. July, 1988.

Acquired
By

STAR CABLE ASSOCIATES

Cable Television System Serving 2,400 Subscribers in Daingerfield, Hughes Springs, Linden, Lone Star, Naples and Omaha, Texas

Sold By

CADDO-OMAHA CABLEVISION

The Buyer was represented by the undersigned

CHARLES GREENE
ASSOCIATES

Cable Television Brokerage

1117 Perimeter Center West
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(404) 668-9577

Satellite Lineup

Satcom III-R (GE Americom)	**Transponder**
Arts & Entertainment	.24
BET	.20
Cable Radio Network	.4
Cinemax (West)	.23
ESPN (Blackout)	.7
The Fashion Channel	.1
Financial News Network	.11
Genesis Storytime	.3
HBO (East)	.13
Home Shopping Network	.22
The Learning Channel	.2
Lifetime	.17
National Jewish Television	.18
QVC Network	.8
Reuter Monitor Service	.18
Shop Television Network	.5
Tempo Sound	.6
Tempo Television	.6
The Travel Channel	.16
Trinity Broadcasting Network	.3
TV Decisions	.24
USA Network (West)	.10

Satcom IV (GE Americom)	**Transponder**
Alternate View Network	.10
American Movie Classics	.10
Biznet	.6
Bravo	.2
Family Guide Network	.24
The Fashion Channel	.14
Gospel Music Network	.3
Hit Video USA	.18
Home Shopping Network 2	.1
Home Sports Entertainment	.11
Home Team Sports	.22
Liberty Broadcasting Network	.7
Madison Square Garden Network	.6
Movietime	.17
National Black Network	.19
New England Sports Network	.13
Nickelodeon (West)	.4
Nostalgia Channel	.21
The Playboy Channel	.24
Playboy On Demand	.24
Prime Ticket	.20
The Silent Network	.23V
SportsChannel-New England	.23
SportsVision	.9
WPIX—New York	.19

Satcom F2 (GE Americom)	**Transponder**
WABC	.4
WCBS	.2
WNBC	.12

Satcom F4 (GE Americom)	**Transponder**
KKGO	.16
KTLA	.16
KTVT (Dallas/Ft. Worth)	.3

Westar III (Western Union)	**Transponder**
CNN	.5

Westar IV (Western Union)	**Transponder**
Atlantic City Horse Racing	.6
Cable News Network (CNN)	.16
Catholic Telecommunications Network of America	.11
International Television Network	.10D
Public Broadcasting Service	.15, 17, 21, 23
Texas State Network	.2

Westar V (Western Union)	**Transponder**
Moody Broadcasting Network	.7D
Pro-Am Sports System (PASS)	.8
The University Network	.2
Zephyr Weather Information Service	.7D

Telstar 303 (AT&T)	**Transponder**
American Exxxtasy	.19

Galaxy I (Hughes)	**Transponder**
CBN Cable Network	.11
Cinemax (East)	.19
CNN	.7
Country Music Television	.13
The Discovery Channel	.22
The Disney Channel (East)	.4
(West)	.24
Electra	.18
Prevue Guide	.3
ESPN	.9
GalaVision	.20
HBO (West)	.1
Headline News	.8
The Inspirational Network (PTL)	.17
The Movie Channel (East)	.10
(West)	.14
The Nashville Network	.2
Request Television	.12
Seeburg Adult Contemporary	.3
Seeburg Contemporary Instrumental	.3
Showtime (East)	.5
Showtime (West)	.16
Univision	.6
USA Network (East, Central)	.21
WGN	.3
WWOR	.15
WTBS	.18

Galaxy II	**Transponder**
Stardust Theatre	.2

Galaxy III	**Transponder**
ACTS Satellite Service	.7
Cable Value Network	.9
Cable Video Store	.5
C-SPAN	.24V
C-SPAN II	.14V
Eternal Word Television Network	.10
Galactic Radio	.11
Home Premiere Television	.16
Lifetime	.20
The Meadowlands Racing Network	.17
Mind Extension University	.11
MTV Music Television	.17
Nick At Night	.19
Nickelodeon	.19
NuStar	.12
Video Hits One (VH1)	.15
Viewer's Choice 1+2	.21,18
The Weather Channel	.13

Spacenet I (GTE)	**Transponder**
SelecTV	.2

Spacenet II (GTE)	**Transponder**
SelecTV	.5
Zap! Movies 1,2,3.	.2,1,12
Zap! Previews	.6

Note: A company name in parentheses following a service or network designates the transponder owner. Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,200,000	(12/87)
2.	American Television and Communications Corp.	3,780,000	(5/88)
3.	Continental Cablevision	2,228,000	(4/88)
4.	Storer Cable Communications	1,488,534	(5/88)
5.	Warner Cable Communications Inc.	1,454,999	(5/88)
6.	Cox Cable Communications	1,441,849	(3/88)
7.	Comcast	1,383,724	(6/88)
8.	United Cable	1,210,426	(5/88)
9.	Viacom Cablevision	1,007,000	(6/88)
10.	Newhouse Broadcasting	1,078,336	(6/88)
11.	Cablevision Systems Corp.	1,070,861	(6/88)
12.	Heritage Communications Inc.	1,057,541	(5/88)
13.	Jones Intercable	1,017,122	(7/88)
14.	Times Mirror Cable Television Inc.	933,541	(4/88)
15.	Sammons Communications Inc.	841,687	(5/88)
16.	UA Cablesystems Corp.	814,612	(6/88)
17.	Century Communications Corp.	680,400	(3/87)
18.	Paragon Communications	677,000	(4/88)
19.	Cooke Cablevision	620,425	(6/88)
20.	Cablevision Industries	599,376	(7/88)
21.	Adelphia Communications	594,315	(3/88)
22.	Centel Cable	542,061	(5/88)
23.	Telecable Corp.	537,632	(6/88)
24.	Rogers Cablesystems Inc.	529,708	(12/87)
25.	Daniels & Associates	525,117	(4/88)
26.	Scripps-Howard	430,990	(12/87)
27.	Wometco Cable TV Inc.	429,662	(5/88)
28.	Prime Cable Corp.	422,442	(5/88)
29.	Post-Newsweek	390,579	(4/88)
30.	Tele-Media	384,646	(5/88)
31.	Multivision Cable	381,627	(4/88)
32.	Falcon Cable TV	343,000	(2/88)
33.	TCA Group	337,999	(1/88)
34.	Lenfest Group	327,378	(4/88)
35.	Maclean Hunter Cable TV Ltd.	322,225	(5/88)
36.	WestMarc Communications	318,068	(6/88)
37.	Multimedia Cablevision	313,167	(4/88)
38.	Rifkin & Associates	300,200	(5/88)
39.	Colony Communications Inc.	262,457	(6/88)
40.	Western Communications	255,396	(6/88)
41.	TKR Cable Co.	251,056	(7/88)
42.	Star Cablevision Group	245,950	(6/88)
43.	Simmons Communications	229,738	(4/88)
44.	Communications Service Inc.	225,000	(4/88)
45.	Cencom Cable	224,052	(5/88)
46.	Taft Cablepartners	207,880	(6/88)
47.	Service Electric Cable TV Inc.	205,000	(6/88)
48.	Hauser Communications Inc.	199,141	(4/88)
49.	Greater Media	170,588	(6/88)
50.	Harron Communications	164,389	(5/88)
51.	Media General Inc.	164,200	(6/88)
52.	Columbia International	161,243	(4/88)
53.	Sutton Capital Corp.	152,053	(11/87)
54.	U.S. Cable Corp.	146,242	(6/88)
55.	Armstrong Utilities	146,203	(5/88)
56.	McDonald Group	142,548	(4/87)
57.	Triax Communications	141,000	(6/88)
58.	Palmer Communications	137,973	(5/88)
59.	Summit Communications	130,108	(6/88)
60.	Cable Systems USA	129,078	(4/88)
61.	Sonic Communications	116,656	(6/88)
62.	King Videocable	116,086	(5/88)
63.	Northland Communications	115,226	(4/88)
64.	Bresnan Communications Co.	114,429	(5/88)
65.	Booth Communications	110,207	(5/88)
66.	Susquehanna Broadcasting	108,486	(6/88)
67.	Midcontinent Cable Systems Co.	96,789	(4/88)
68.	Omega Communications	90,500	(3/88)
69.	WEHCO Video	89,078	(12/87)
70.	United Video Management	86,341	(12/87)
71.	Pencor Services	85,264	(1/88)
72.	Coaxial Communications	84,859	(9/87)
73.	Selkirk Communications	73,200	(7/88)
74.	Enstar Communications	70,097	(4/88)
75.	Rock Associates	67,802	(5/88)
76.	Chambers Communications Corp.	61,471	(12/87)
77.	Mountain Cable Co.	59,746	(1/88)
78.	Insight Communications	58,964	(1/88)
79.	Cardinal Communications	57,724	(5/88)
80.	Hearst Communications of California	55,122	(4/88)
81.	C-TEC Cable Systems	52,347	(6/88)
82.	Joseph Gans Cable TV	52,000	(4/88)
83.	State Cable TV	51,939	(3/88)
84.	Douglas Communications	50,741	(3/88)
85.	Helicon Corp.	50,000	(3/88)
86.	New England Cablevision	49,586	(6/88)
87.	Bachow and Elkin Communications	49,142	(6/88)
88.	Galaxy Cablevision	48,500	(4/88)
89.	Prestige Cable TV, Inc.	48,434	(5/88)
90.	Telesat Cablevision, Inc.	47,755	(4/88)
91.	Donrey Media Group	45,869	(4/88)
92.	CableAmerica	42,337	(5/88)
93.	Leonard Communications	42,178	(5/88)
94.	CableSouth, Inc.	41,390	(5/88)
95.	Acton Corp.	38,500	(10/87)
96.	Countryside Cable	35,000	(2/88)
97.	ParCable	34,342	(6/88)
98.	Mickelson Media, Inc.	30,611	(7/88)
99.	Harmon Cable Communications	29,202	(3/88)
100.	Fanch Communications	27,210	(12/87)

Subscriber counts are provided by MSOs and systems to *CableVision*. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Avenue So., Ste. 1010, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	304,559	(6/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	245,000	(3/88)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
6.	Puget Sound, WA	Viacom	203,000	(6/88)
7.	Honolulu, HI	ATC	194,000	(3/88)
8.	Phoenix, AZ	Times Mirror	191,126	(4/88)
9.	Houston, TX	Warner Cable	189,104	(6/88)
10.	Hartford/Plainville/Vernon, CT	United Cable	172,289	(5/88)
11.	Chicago (suburbs)	Continental	168,000	(4/88)
12.	Wayne, NJ	UA Cablesystems	166,241	(6/88)
13.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
14.	Englewood, CO	United	161,002	(5/88)
15.	Rochester, NY	ATC	161,000	(6/88)
16.	Cincinnati, OH	Warner	158,929	(5/88)
17.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
18.	Fairfax, VA	Media General	154,000	(6/88)
19.	Atlanta, GA	Prime Cable Corp.	153,557	(3/88)
20.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
21.	Tulsa, OK	United	152,287	(5/88)
22.	Connecticut Complex	Cablevision Co.	147,322	(6/88)
23.	Cherry Hills, NJ	NYT	145,075	(7/87)
24.	Orlando,FL	ATC	143,590	(6/87)
25.	San Jose/Campbell, CA	Gill Cable	137,358	(6/88)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Baltimore County, MD	Comcast	136,096	(6/88)
28.	Upper Manhattan, NY	Paragon Cable	136,000	(4/88)
29.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
30.	Charlotte, NC	ATC	128,000	(3/88)
31.	St. Louis Co., MO	Cencom Cable	127,476	(6/88)
32.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
33.	San Francisco, CA	Viacom	123,000	(6/88)
34.	Pompano, FL	Continental	123,000	(4/88)
35.	San Diego, CA	ATC	121,000	(3/88)
36.	Long Island, NY	Viacom	120,700	(3/88)
37.	Austin, TX	ATC	119,000	(3/88)
38.	Seattle, WA	TCI	112,500	(12/87)
39.	Warren, NJ	TKR	112,116	(7/88)
40.	Toledo, OH	Blade Communications	108,861	(5/88)
41.	Dallas, TX	Heritage	107,680	(5/88)
42.	Southeast Michigan	Comcast	104,803	(6/88)
43.	San Juan, PR	Multivision Cable	104,757	(12/86)
44.	Grand Rapids, MI	UA Cablesystems	103,661	(6/88)
45.	Wilmington, DE	Heritage	103,255	(5/88)
46.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
47.	Pinellas County, FL	Vision Cable	100,614	(6/88)
48.	Tacoma, WA	Viacom	99,000	(6/88)
49.	Raleigh/Durham, N.C.	ATC	98,000	(3/88)
50.	Indianapolis, IN	Comcast	97,790	(6/88)
51.	Escondido, CA	Times Mirror	96,519	(4/88)
52.	Richmond, VA	Continental	94,584	(4/88)
53.	Dade/Broward, FL	Storer	94,577	(5/88)
54.	Boston, MA	Cablevision Co.	92,315	(6/88)
55.	Pittsburgh, PA	TCI	91,000	(12/87)
56.	Nashville, TN	Viacom	90,000	(6/88)
57.	Chicago, IL	Group W	89,500	(7/88)
58.	Worcester Complex, MA	Greater Media	89,497	(6/88)
59.	Jackson MS/Monroe LA	ATC	89,000	(3/88)
60.	Milwaukee, WI	Warner	88,126	(5/88)
61.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
62.	Las Vegas, NV	Prime Cable	86,852	(5/88)
63.	Orange County, CA	Times Mirror	86,607	(4/88)
64.	Greensboro, NC	ATC	86,000	(3/88)
65.	Dover, Morristown, NJ	Sammons	82,871	(5/88)
66.	Portland, OR	Rogers	82,587	(6/88)
67.	Harrisburg, PA	Sammons Communications	82,334	(5/88)
68.	South Bend, IN	Heritage	80,776	(5/88)
69.	Oakland County, MI	United	80,564	(5/88)
70.	New Orleans, LA	Cox Cable	80,348	(3/88)
71.	Baton Rouge, LA	Daniels & Assocs.	79,586	(4/88)
72.	Akron, OH	Warner	79,070	(5/88)
73.	Hillsborough, FL	Paragon	79,000	(4/88)
74.	Columbus, OH	Warner	78,454	(5/88)
75.	Indianapolis,IN	ATC	78,000	(3/88)
76.	St. Petersburg, FL	Paragon	78,000	(4/88)
77.	Independence, MO	Jones Intercable	77,958	(7/88)
78.	Naples, FL	Palmer Communications	77,934	(5/88)
79.	Albuquerque, NM	Jones Intercable	77,861	(7/88)
80.	Medford Complex (Boston Suburbs), MA	Warner	77,167	(5/88)
81.	South Texas, TX	Heritage	77,160	(5/88)
82.	Cleveland Heights, OH	Viacom	76,000	(6/88)
83.	Allentown, PA	Service Electric	75,000	(9/87)
84.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
85.	Fayetteville, NC	ATC	74,000	(3/88)
86.	Flint, MI	Comcast	72,923	(6/88)
87.	Little Rock, AR	Storer	72,681	(5/88)
88.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
89.	Omaha, NE	Cox Cable	73,361	(3/88)
90.	Ocean County, NJ	Adelphia	72,355	(3/88)
91.	Lincoln, RI	Heritage	71,625	(5/88)
92.	Contra Costa Co. CA	WestMarc Communications	70,642	(5/88)
93.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
94.	Des Moines, IA	Heritage	70,148	(5/88)
95.	Santa Monica, CA	Century	69,900	(12/86)
96.	W. San Fernando Valley, CA	Cablevision Industries	69,378	(7/88)
97.	Birmingham, AL	ATC	69,000	(3/88)
98.	El Paso, TX	Paragon	69,000	(4/88)
99.	Syracuse (suburbs), NY	NewChannels Corp.	68,617	(6/88)
100.	New Haven, CT	Storer	68,062	(5/88)

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AUGUST 15, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

A TALK WITH PACTEL'S LEE COX

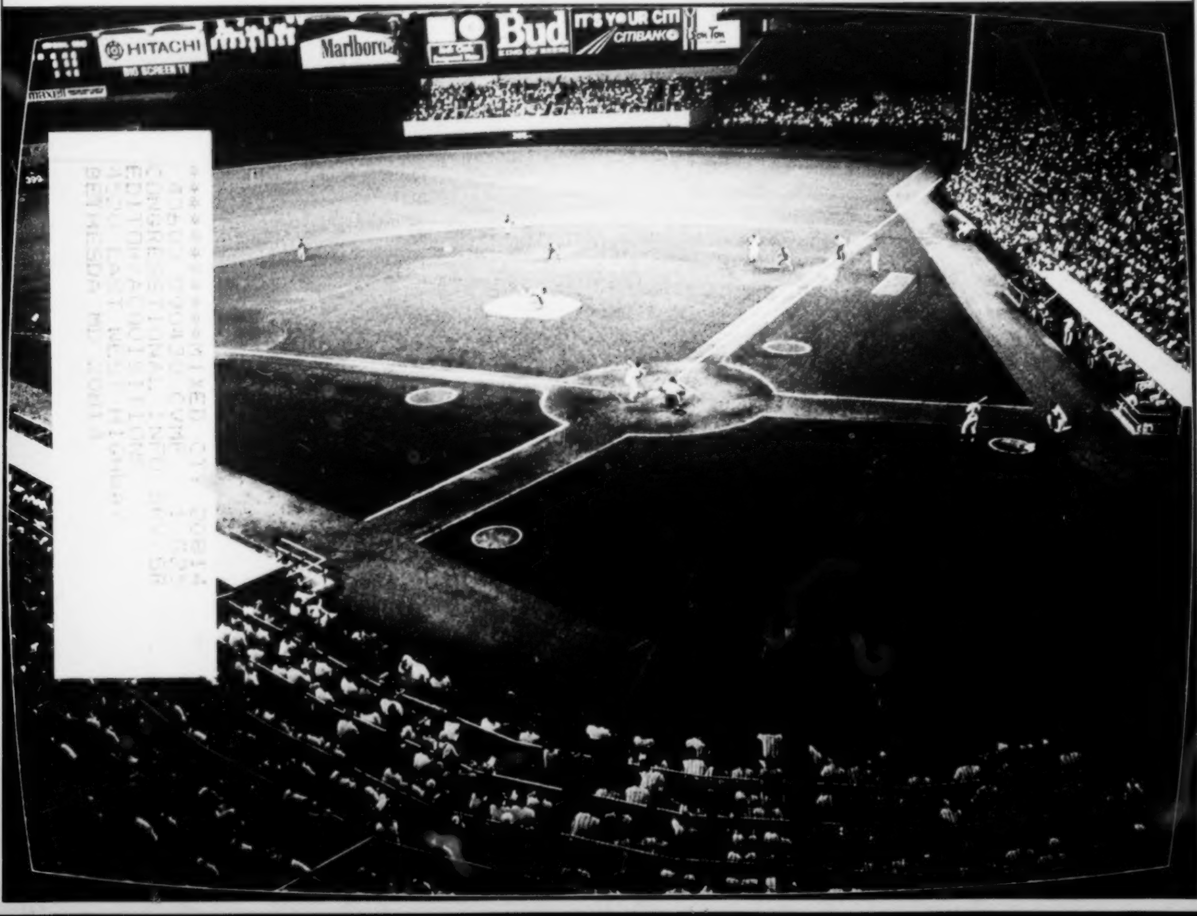
JUDGE GREENE AT THE GATE

CABLE'S FIBER SHORTCUT

CTAM PACKS THEM IN

LAMB'S A GRAND TAM

HERE'S A HIGH HARD ONE: CAN REGIONALS FILL A LARGER ARENA?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CableVision

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Lifetime lands Dodd 12
That quirky but popular network show *The Days and Nights of Molly Dodd* moves to Lifetime in another indication of the basic network's commitment to quality programming.

Time, Warner talking 12
Executives confirm that high-level but preliminary discussions are occurring that might lead to a merger of Warner Communications and Time Inc.

Telesat retrenching? 16
Florida Power and Light subsidiary Telesat Cablevision, which has been overbuilding a number of Florida operators, has retained a broker and is entering into arrangements with existing operators in what appears to be a retrenchment.

Cable Labs chief named 17
Richard Green, a senior executive with the Public Broadcasting Service, has been named president of R&D agency Cable Labs.

NBC taps two for cable 18
Getting its cable house in order, NBC has tapped Tom Rogers to head NBC Cable and installed Mike Eskridge, currently overseeing coverage of the Olympics, as president of CNBC.

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A meaty, steamy show 19
The temperature was up and so was the interest of cable marketing executives attending the Cable Television Administration and Marketing Society conference in Boston. Everything seemed to be on the table, from technical issues to the future of pay-per-view.

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Finding a fiber shortcut 39
With the alacrity of an industry long accustomed to life on the high wife, cable is seizing the technological advantage over the telcos in new broadband distribution systems. "Technology may be throwing us a pretty wicked curve," moans a telco executive.

Coming Soon
A FIRST-IN-THE-NATION FOR PERRYOPOLIS
Phone and cable TV over the same FIBER OPTIC line
BELL OF PENNSYLVANIA
and
HELICON CABLEVISION

BUSINESS AND FINANCE

A conversation with Lee Cox 46
He may be the most-feared man in the cable industry, but the PacTel president and CEO comes across as a reasonable person who wants simply to invest in the cable business, not wreck it. In one of his first published interviews on the subject, Cox shares his views on a host of issues, including his interest in Rogers Communications.

Greene at the gate 50
The Cable Act and Federal Communications Commission rules notwithstanding, there's only one barrier to PacTel getting into the cable business outside its service areas—a waiver from the line-of-business restrictions contained in the MFJ breaking up AT&T. Judge Harold Greene is the man at the gate.

'We won't be unduly adversarial' 52
While there has yet to emerge a single party line on telco interest in cable, interviews with a number of executives reveal a cautious acceptance of the idea in principle. There's some saber rattling, but as one said, "We won't be unduly adversarial."

Yankee Stadium, The House that Ruth Built and Major League Baseball's preeminent shrine, during a game cablecast over SportsChannel.
—Photo by Candace Drake

COVER STORY

The larger arena of regional sports 26
Having enjoyed double-digit growth the last few years, regional sports networks are settling down, delivering better ratings information while shoring up their programming schedules with bigger events. Advertisers are discovering the worth of regional sports and seem willing to pay high CPMs.

BETWEEN THE LINES

Hearing other side advances telco debate

In this editorial in the last issue, addressing the issue of involvement in the cable industry by the Regional Bell Operating Companies, we said: "Finally, in our view it is incumbent on the Baby Bell executives to give some signal as to what their true intentions are. Meetings between leaders at the highest levels of both industries should take place. Until the cable industry has some firm idea as to what the Bells want, it is understandable that many will fear the worst."

As that was being written, those meetings were occurring, and it now is apparent that many in leadership positions in the cable industry do have a better understanding of what's on the minds of the Bell companies in general and Pacific Telesis in particular. Cable's stress level has noticeably subsided, as we found out by talking to some who attended those meetings (p. 52).

And the executive who sits atop Pacific Telesis—the man who initiated many of those meetings—has stepped forward to share his views on cable and to lay out his strategy for involving the giant telecommunications concern in system ownership. Lee Cox, made available to us through a high-level intermediary, goes on the record for quite some length to assert that PacTel only is interested in buying systems outside its service areas. "Our interest in it is in being a plain old cable operator outside our franchise area. Therefore, they (operators) have nothing to fear about fiber overbuilds to their existing systems. We want to simply buy existing systems and run them as a cable operator," he tells Business Editor Virginia Munger Kahn (p. 46). He also says he does not believe that Congress or the public will accept the notion of "one wire" service in which the telephone company exclusively provides both voice and video service.

While there may be a tad too much "aw shucks" foot shuffling in Cox's assertion of wanting only to invest in the business, not wreck it, at the moment there are no reasons why what he says should not be taken at face value. Cox sounds believable and, having publicly staked out his position, he now can be held accountable.

It is interesting that of the two discourses under way in the cable/telco debate—the regulatory proceedings in Washington and the board-room analysis of executives charged with operating successful businesses—it is the activity outside the Beltway that appears likely to bear the most fruit. And that is understandable, since it always is easier to play offense than defense, which seems the industry's only option in Washington.

We should keep in mind that many "ifs" stand between PacTel or any other Bell company and the ownership of cable systems. And while PacTel's interest in Rogers is dominating the debate now, it could be old news soon if only one of several factors intervene. But as one CEO said, "If it's not this deal, it will be the next one" in which a Bell company succeeds in entering the business.

But amid all this weighty discussion, a lighthearted comment by one cable executive sticks in mind. He recalled seeing many executives at large corporations "with straight teeth, nice suits and red ties" proclaim their visions for cable's future. "They've come and gone. In the end it always seems the cable operators do better."

—Steve Tuttle
Editor, Associate Publisher

CableVision

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August 15, 1988
Volume 12, Number 50

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 S. Cherry Street, Suite 400, Denver, Colorado 80222 -or- P.O. Box 5208-TA, Denver, CO 80217. August 15, 1988, Volume 12, Number 50. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 S. Cherry St., Suite 400, Denver, Colorado 80222.

ABP BPA

The larger arena of regional sports

By Wayne Friedman

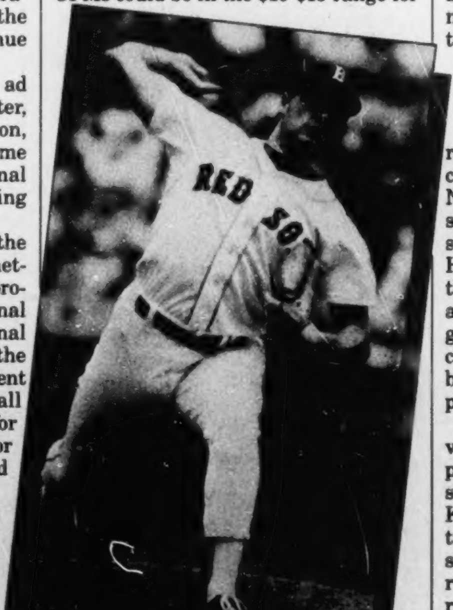
The double-digit growth by regional cable sports networks over the last few years can be attributed to two things—the loyalty of sports fans to their local teams and a willingness to pay healthy subscriber fees to see the games. But as the regionals reach market penetration, they are trying to build up the advertising portion of their revenue streams.

For the regionals to increase ad revenue, they must provide better, more consistent ratings information, and, to a lesser extent, maneuver some programming from their traditional base to more non-regionalize sporting events.

Historically, baseball has been the regionals' main attraction. Strong metropolitan franchises provided a programming foundation, with National Basketball Association or National Hockey League teams rounding out the programming calendar. In more recent times, college football and basketball games have offered other means for growth by the regionals as well as for syndicators such as Raycom and Jefferson-Pilot.

The success of regional sports has been no secret, and programming experts increasingly are recognizing its value. Notably joining the bandwagon are savvy advertisers who believe their messages are diluted through some national outlets. That partially explains why, for instance, the NHL recently switched venues from ESPN to SportsChannel America, a new consortium of regional cable sports networks. ESPN also was outbid. The NHL realized that hockey is a sport with stronger regional appeal than of uniform national interest.

Advertisers like regional venues because home town viewers like them. Frequently that translates into the highest advertising CPMs in all of cable, according to Lloyd Werner, senior vice president of sales and marketing for Group W Satellite Communications, which markets The Nashville Network and Baltimore-based Home Team Sports. Werner says a regional's CPMs could be in the $10-$15 range for a mens demographic.



Limited reach is a downside for most regional cable nets. None of the ratings services track any of them regularly against other local stations. Therefore, many advertisers shy away from buying time. "There is room for greater accountability in terms of ratings research," says Ben Pride, vice president and manager of local sports and promotional merchandising for ad agency Backer Spielvogel Bates. Bill Sheehan, senior vice president and associate buying director for Saatchi & Saatchi DFS, adds that because of the lack of numbers, "We don't go out of our way to buy it."

The numbers game

This isn't for the lack of trying. Many regional networks do telephone coincidentals, through services such as Nielsen, that profile programs on a spot basis. MSG Network now commissions 15-20 such coincidentals a year. HTS did 22 last year, and will do 25 this year. Home Sports Entertainment, a Houston-based pay and basic regional, just recently started doing coincidentals this past season for NBA basketball. It will generate more telephone surveys for baseball as well.

The results of these telephone surveys have been inspiring for the nets, proving that they sometimes beat other stations in their universe of viewers. KBL Entertainment Network, the part-time Pittsburgh-based regional cable sports network, showed an AGB 9.9 rating/23.1 share for a Pittsburgh Pirates/New York Mets contest on June 21, which topped all three network affiliates in its 500,000 cable home universe. The 12 NBA games offered this season by HSE were the most viewed among all networks in its 800,000-subscriber universe, says Jay Feingold, vice president of marketing. For those networks without telephone coincidentals, advertisers say they are happy to extrapolate ratings from approximate over-the-air stations.

If that doesn't work, many advertis-

ers just buy regional sports nets content in the knowledge that viewers will follow their home teams, especially those franchises that are performing well on the field, like the Yankees and the Mets. "If you want to reach men in New York, you got to buy SportsChannel," says Rich Forester, vice president of network programming for Ketchum Communications. And because SportsChannel is a pay service, advertisers know these subscribers will also be viewers. "You pay for it, you'll watch it," says Group W's Werner.

At the base of the ratings question is some inequalities, says Werner. In order for a regional cable network to be measured in a local market report book, he says, they need 19.5 percent of the households watching that network for six minutes for a least once a week. For stations those requirements are easier. They need 5 percent.

The ADI dilemma

Regional cable networks don't feel their growth is artificially limited by ratings. First, the advertising side is growing anyway, rising 28 percent in 1987 over 1986, and at least that amount this year, according to John Mansell, senior analyst at Paul Kagan Associates. The industry as a whole rang up about $125 million in 1987 ad sales, according to Mansell.

Second, Mansell says, the real growth still is in subscriber fees, which represent 70 percent of an average network's total revenue. Subscriber revenue has been climbing at a 20-plus percent rate per year, and that rate could spiral higher because many regional nets serve major metropolitan areas centered around a sports franchise—areas which just now are becoming fully cabled. Also, "It's easier to sell (regionals) in newbuilds," says Group W's Werner, because many are looking to start with a full complement of channels, especially those that have a local identity.

A regional net might get one ADI problem solved only to hit another ratings snag. In contrast to broadcast stations, regionals pop up in multiple ADIs. SportsChannel and MSG Network, for instance, reach upstate New York as well as parts of Connecticut and New Jersey. Group W's Werner says this throws advertisers for a loop. They buy local and regional stations one ADI at a time. For regional cable nets, "they are too large to be considered a local market, and too small to be considered a network," says Werner. "That's not the way advertisers buy time."

The NHL: New ground rules?

In buying the rights to air NHL

See **Regionals**, *page 32*

Roger Clemens hurls for the Boston Red-Sox on New England Sports Networks (facing page); the L.A. Dodgers (above left) perform well for Z Channel while Washington Capitols hockey is a crowd-pleaser for Home Team Sports (top right). Gymnastic events can be a ratings winner in major markets, as with Madison Square Market Network in New York (above)

Regional Sports

REGIONAL SPORTS NETWORKS AT A GLANCE

	Format	States Served	Affiliates	Subscribers	Pro Teams	College Teams/ Conferences
Home Sports Entertainment	Pay	AR, LA, NM, OK, TX	196	684,740	Houston Astros/Texas Rangers baseball Houston Rockets/San Antonio Spurs/Dallas Mavericks basketball	LSU Southwest Conference
Home Team Sports	Pay/ Basic	DC, DE, MD, NC, PA, VA, WV	114	1,000,000	Baltimore Orioles baseball Washington Capitals hockey Washington Bullets basketball	Atlantic 10/Big East/ Colonial Sun Belt Conferences
KBL Entertainment Network	Basic	PA	67	1,000,000	Pittsburgh Pirates baseball Pittsburgh Penguins hockey	Ohio State Atlantic 10/ Big East Conferences
Madison Square Garden Network	Basic	CT, NJ, NY, PA	112	2,400,000	N.Y. Knicks basketball N.Y. Rangers hockey N.Y. Knights arena football	St. John's Big East/Big 10/ Atlantic 10/ Southeastern Conferences
New England Sports Network	Pay	CT, MA, ME, NH, RI, VT	160	262,138	Boston Red Sox baseball Boston Bruins hockey	Big East/Yankee Conferences
PRISM	Pay	DE, NJ, PA	87	427,000	Philadelphia Phillies baseball Philadelphia Wings lacrosse Philadelphia Flyers hockey	Villanova Atlantic 10 Conference
Prime Ticket	Basic	CA	55	2,300,000	LA. Lakers basektball LA. Kings hockey LA. Lazers/San Diego Sockers indoor soccer LA. Strings team tennis	USC UCLA Fresno State Loyola Marymount San Diego State Pepperdine Hawaii UNLV Big West/ Pacific 10/WAC Conferences
Pro-Am Sports System	Pay	MI, OH	140	301,000	Detroit Tigers baseball Detroit Platons basketball Detroit Red Wings hockey	Michigan Michigan St. W. Michigan Detroit
SportsChannel Florida	Pay	FL	10	470,000	N.Y. Mets/Chicago White Sox baseball	Florida Miami S. Florida Tampa Big East/Sunshine State Conference
SportsChannel New England	Pay	CT, MA, ME, NH, RI, VT	147	942,943	Boston Celtics basketball Hartford Whalers hockey	Atlantic 10/Big 10/ Missouri Valley/ Southeastern Conferences
SportsChannel New York	Pay	CT, NJ, NY	94	1,150,000	N.Y. Yankees/N.Y. Mets baseball N.Y. Islanders/N.J. Devils hockey N.J. Nets basketball	Not available
SportsVision	Basic	IL, IN, IO	50	1,507,270	Chicago White Sox baseball Chicago Bulls basketball Chicago Blackhawks hockey Chicago Sting indoor soccer	Notre Dame De Paul Loyola N. Illinois Big 10/Missouri Valley Conferences
The Sunshine Network	Basic	FL	112	1,554,289	Baltimore Orioles/ Twins/ Houston Astros/ Texas Rangers baseball	Florida State Jacksonville Florida A&M Stetson Central Florida Tampa
Z Channel	Pay	CA	65	110,000	LA. Dodgers/California Angels baseball LA. Clippers basketball	Not at this time

Regionals, *from page 27*

games, Rainbow Program Enterprises came up with a plan that it hopes will shatter advertisers' prejudiced images of regional cable networks. No, regular ratings won't be available. Instead, the plan is to use something else that already is familiar to them.

Presentations to advertising agencies, says Bob Fennimore, president of Rainbow Advertisers Sales, employ the broadcast network strategy of airing multiple games in different areas of the country, as with NFL football. Fennimore says that, so far, the response has been terrific. To date, 25 percent of the NHL inventory (over three years of the contract) has been sold.

SportsChannel America, its newly named network unit, would act as a network shuttling games to and from different parts of the country, for showing on a regional net or on a stand-alone cable system, almost as a part-syndicator, part-cable network. It expects to amass nine million subscribers; five million from Rainbow-owned affiliates—SportsVision in Chicago, Prism in Philadelphia, SportsChannel New York, SportsChannel New England and SportsChannel Florida—plus four million delivered by other regional nets.

Bill Wishman, general manager of Detroit-based regional net PASS, wonders whether there'll be enough room on some regional nets to carry the extra games. From October through April, Wishman says he is already chock full of Detroit Pistons, Detroit Red Wings, college hockey and college basketball games. He feels other systems might have the same problems. "They are going to be hard pressed to fit it in," says Wishman. An alternative for PASS, he says, could be to expand its 7-11 p.m. typical programming day to include a secondary event, perhaps on tape-delay.

On the other side of the coin, Tony Acone, president of Los Angeles-based Prime Ticket, says space isn't a problem if the programming is worthwhile. Still, he hasn't seen SportsChannel America's plan, and isn't commenting on the viability of the NHL package for his system just yet.

Is more baseball the next step?

Wishman and other industry experts guess that by snaring the NHL, SportsChannel America's ultimate plan is to start up other regional sports networks in metropolitan areas where there now are none. He thinks Milwaukee, centered in the hockey-crazed Northeast, could be an excellent market for a regional net. United Cable, HSE and Daniels & Associates are planning a Denver-based regional cable sports net, called Prime Sports Network, that hopes to secure Denver Nuggets basketball and Kansas City Royals baseball. It would serve the Rocky Mountain and midwestern states. A San Francisco-Oakland Bay Area service is also in the works.

In looking at how baseball has fared regionally over the last few years, many predict that Charles Dolan, chairman of CableVision Systems, parent of Rainbow Program Enterprises, will aggressively bid for national baseball rights when the current contract expires at the end of the 1989 season. (Talks are due to begin later this year.) Some experts believe that if the regional nets can't afford to carry the NHL games because of time constraints, then putting SportsChannel America directly on cable systems—not through regional nets—would be the seed to building another national sports cable network which will seek major sporting events.

But that might not do well for SportsChannel America. There already are plenty of national players—ESPN, USA Network, Turner Broadcasting, Fox, HBO—positioning themselves in the hunt for a piece of the next baseball contract. Given the recent history of baseball on network television, which has seen mediocre ratings the last few years, SportsChannel America might be better to stick to its regional flavor, offering what Bob Fennimore says is something "unique and different" for advertisers. Marc Lustgarten, president of Rainbow Program Enterprises, thinks this new system could bring baseball and the NBA to SportsChannel America.

Bob Gutkowski, executive vice president of Madison Square Garden Communications Group, which runs MSG Network, remembers that at NBC Sports some six years ago he was selling Saturday afternoon baseball at six and seven ratings. He says that's about the same number NBC is earning today for the nation's pastime. As a result, "There is no growth potential there, nationally," he says. "Baseball's greatest strength is from a regional standpoint."

And not just with cable. Don Stuart's National Baseball Network offers national advertisers the chance to buy games on independent and affiliate stations across the country. In exchange for spots on local stations, NBN gives stations compensation much like the broadcast networks. Currently, NBN is guaranteeing an 11.7 rating to advertisers covering 86-89 percent of the country.

Although sometimes viewed as competitors, regional cable and over-the-air stations could combine their efforts to sell avails to advertisers. Stuart says a few regional cable networks already have stopped by to talk about this. Again, the problem is ratings, but upon hearing about some regional cable efforts to do more telephone coincidentals, Stuart says, 'they have entered the 20th century; they are enlightened." On looking at the cable-station partnership, so far "we haven't pursued it, but it's a logical step for growth," he says.

In the meantime, regional cable nets are seeking to invest more in producing their own programs. At a recent joint meeting of all the regional networks, professional golf events was one sport that was tossed around. With contributions from different networks, an event could be produced, including rights fees, for about $100,000, far above what regional nets normally spend to produce a sports event. Marty Brooks, vice president of programming for MSG Network, says this compares to spending anywhere from $15,000 to $25,000 producing college basketball games. Prime Ticket's Acone says other events like boxing also could be produced.

Golf wouldn't be the first event shared among regionals. For the last few years, many regional nets have traded horse shows, hockey and basketball games and other programming. Does all this mean the regionals are moving away from their home town flavor? Not at all, says MSG's Brooks. The majority of programming still is geared to luring home town viewers. And in programming 365 days a year, says HSE's Feingold, there is plenty of room to add sports programs that would satisfy sports viewers' appetites. "We can do events that have some interest, but wouldn't be viable on commercial television."

The regionals' bread-and-butter still is the local teams. Even though they are looking to expand their programming horizons, Acone and executives at other regional nets say it will only be a supplement to the primary local sports programming. And as Group W's Werner observes from watching the performance of HTS and its marketing of the Baltimore Orioles over the years, why try to fool with success? He says once you get viewers hooked they become completely loyal. "There is more emotion locally; when you get them involved, they never get out." ■

What's on the Pays/August

Cinemax

New Movies

Title	MPAA Rating	Distributor
All About Eve (B&W)	NR	20th Century-Fox
Bless The Beasts & Children*	NR	Columbia
City of Shadows	R	Shapiro/ Glickenhaus
Cry of the City (B&W)	NR	20th Century-Fox
The Danger Zone	R	Skouras
The Dark Corner (B&W)	NR	20th Century-Fox
Dead of Winter*	R	MGM/UA
Death of a Salesman	NR	H.M. Television
D.O.A. (Colorized)	NR	Hal Roach
Dragonwyck (B&W)	NR	20th Century-Fox
Everything's Ducky* (B&W)	NR	Columbia
The Far Country	NR	Hal Roach
Friday The 13th-The Final Chapter*	R	Paramount
The Gamma People* (B&W)	NR	Columbia
The Ghost and Mrs. Muir (B&W)	NR	20th Century-Fox
House II:The Second Story	PG13	New World
House of Strangers (B&W)	NR	20th Century-Fox
Jane Eyre (B*W)	NR	20th Century-Fox
The Last Wagon	NR	20th Century-Fox
Lawrence of Arabia*	NR	Columbia
The Luck of the Irish (B&W)	NR	20th Century-Fox
Man With Two Brains	R	Warner Bros.
The Mating of Millie* (B&W)	NR	Columbia
Most Dangerous Man Alive* (B&W)	NR	Columbia
Nightmare on Elm Street 3: Dream Warriors	R	Universal
No Way Out (B&W)	NR	20th Century-Fox
Over 21* (B&W)	NR	Columbia
Passport to China* (B&W)	NR	Columbia
Personal Services	R	Vestron
Preppies	R	Blum Group
Project X	PG	20th Century-Fox
Run For Cover	NR	Paramount
Suddenly, Last Summer* (B&W)	NR	Columbia
Suez (B&W)	NR	20th Century-Fox
Sweet Revenge	R	Concorde
Topper Returns (B&W)	NR	Hal Roach
Trading Places*	R	Paramount

Original Programming/Specials

Cinemax Comedy Experiment:
Teri Garr in Flapjack Floozie

The Living Daylights

Highlights

The Believers	R	Orion
Dirty Dancing**	PG13	Vestron
Gardens of Stone*	R	Tri-Star
The Living Daylights	PG	MGM/UA
Roxanne**	PG	Columbia

The Disney Channel

New Movies

The Apple Dumpling Gang*	G	Disney
The Bears and I*	NR	Disney
The Beniker Gang*	G	Lorimar
Benji The Hunted	G	Buena Vista
The Boatniks*	G	Disney
Christian and the Lion*	G	Art Greenfield Co.
The Duchess of Idaho	NR	MGM/UA
El Dorado	NR	Paramount
Escape to Witch Mountain	G	Disney
Father Was A Fullback	NR	20th Century-Fox
Green Grass of Wyoming	NR	20th Century-Fox
Hansel and Gretel*	NR	Entertainment Marketing
Mootchie of the Little League*	NR	Disney
Mr. Rossi Looks For Happiness*	NR	Italtoons
My Little Pony*	G	Sunbow Productions
The Mystery of Edward Sims*	NR	Disney
Peter Lundy and the Medicine Hat Stallion*	NR	Viacom
Platypus Cove*	NR	Cori Films
Raggedy Ann and Andy: A Musical Adventure*	NR	Harmony Gold
Red Badge of Courage	NR	MGM/UA
Seven Brides For Seven Brothers	G	MGM/UA
Stage Struck	NR	RKO/Buenavista
State Fair	NR	20th Century-Fox
That Darn Cat	G	Disney
True Grit	G	Paramount
The Wings of Eagles	NR	MGM/UA

Original Programming/Specials

Astaire Time*
Babar Comes To America*
Black Beauty*
Bud Greenspan's Summer Olympic Great #2*
Dinosaurs*
Dr. Seuss' The Grinch Grinches the Cat in the Hat*
Jean Sheperd's Great American 4th of July and Other Disasters*
The Jesse Owens Story
Kaleidoscope Concert: Linda Arnold*
King of the Beasts*
My Friend Liberty*
Sweet Land of Liberty

Benji The Hunted

Highlights

A Prairie Home Companion: The 2nd Annual Farewell Performance*	Disney Channel Original Production
The Night Train to Kathmandu	Disney
Astaire Time*	Universal Pay TV
Little Miss Broadway*	20th Century-Fox
Kaleidscope Concert: Linda Arnold*	Disney Channel Original Production
America at the Olympics*	Lorimar/Cappy Productions
Going Hollywood: The War Years*	Castle Hill
Steve Allen's Golden Age of Comedy	Castle Hill
Elvis: Aloha From Hawaii*	Fox/Lorber

Home Box Office

New Movies

The Adventures of Sinbad*	NR	Taffner
The Adventures of Tom Sawyer*	NR	Nippon
Cactus Flower*	PG	Columbia
Captive Hearts*	PG	MGM/UA
Cyclone	R	Cinetel

'Free Ride'	R	Galaxy
The Gate*	PG13	New Century
Nightforce	R	Vestron
Radio Days	PG	Orion
Raising Arizona	PG13	20th Century-Fox
Rawhide Rex	R	Vestron
Something Special!	PG13	Cinema Group
A Streetcar Named Desire	NR	Worldvision
Welcome To 18	PG13	TMS

Original Programming/Specials

Best of Not Necessarily the News
Countdown to Tyson-Spinks
HBO Behind the Scenes
HBO Comedy Hour Live: George Carlin 'What Am I Doing In New Jersey?'
HBO Showcase: Waldheim: A Commission of Inquiry
Richard Lewis 'I'm Exhausted'
The Survival Series: 'The Wonderful Kangeroo'*
Tanner '88: Child's Play
Tanner '88 Part 7
Wimbledon '88 Highlights
Wimbledon '88 Men's Quarterfinals
Wimbledon '88 Women's Quarterfinals
Wimbledon '88 Women's Semifinals

Highlights

Dirty Dancing**	PG13	Vestron
Harry and the Hendersons	PG	Universal
Platoon	R	Orion
Roxanne**	PG	Columbia
Superman IV The Quest For Peace*	PG	Warner Bros.
Who's That Girl*	PG	Warner Bros.

Platoon

(**denotes duplicated and exclusive between Home Box Office and Cinemax)

The Movie Channel

New Movies

A Question of Honor	NR	Viacom
The Allnighter	PG-13	Universal
Apprenticeship of Duddy Kravitz	PG	Paramount
Baby: Secret of the Lost Legend	PG	Touchstone
Black Widow	R	Fox
Body Double	R-9P	Columbia
Broken Promise	NR	Viacom
The Color of Money	R	Touchstone
Concrete Jungle	R	Lorimar
Crocodile Dundee	PG-13	Paramount
Cross Creek	PG	Viacom
Death Wish	R-9P	Paramount
Desert Hearts	R-9P	Goldwyn
The Dirty Dozen	NR	MGM/UA
Firewalker	PG	Cannon
Flashdance	R	Paramount
The Fly	R	Fox
Friday the 13th, Part VI	R	Paramount
Haunted Honeymoon	PG	Orion
Hollywood Vice Squad	R	Cinema Group
Howard the Duck	PG	Universal
Improper Channels	PG	Viacom
Joy of Flying	R	Satori
KGB - The Secret War (aka Lethal)	PG-13	Cinema Group
Kelly's Heroes	PG	MGM
The Man Who Came to Dinner	NR	MGM/UA
Malone	R	Orion
The Man with Bogart's Face	PG	Viacom
Matewan	PG-13	Film Gallery
My Science Project	PG	Touchstone
Pick-up Artist	PG-13	Fox
Raising Arizona	PG-13	Fox
Revenge of the Nerds	R	Fox
Star Trek IV	PG	Paramount
The Sunshine Boys	PG	MGM
The Survivors	R	Columbia
Tai-Pan	R	DEG
Tell Me That You Love Me, Junie Moon	PG	Paramount
Three O'Clock High	PG-13	Universal
Tin Men	R	Touchstone
The Turning Point	PG	Fox
Under Cover	R	Cannon
Winners Take All	PG-13	Apollo
Wish You Were Here	R	Atlantic

The Pick-up Artist

Highlights

Adventures in Babysitting	PG-13	Touchstone
Born in East L.A.	R	Universal
No Man's Land	R	Orion
The Pick-up Artist	PG-13	Fox
Stakeout	R	Touchstone

Showtime

New Movies

Aliens	R	Fox
An Officer and a Gentleman	R	Paramount
Bedroom Window	R	DEG
Bill Cosby - Himself	PG	Fox
Born in East L.A.	R	Universal
A Christmas Story	PG	MGM/UA
Evil Under the Sun	PG	Viacom
Goodbye Mr. Chips	G	MGM
Heartburn	R	Paramount
Heaven Can Wait	NR	Fox
Julia	PG	Fox
Just Me and You	NR	Viacom
Mannequin	PG	Fox
Maximum Overdrive	R	DEG
McCabe and Mrs. Miller	R	WB
Mr. Mom	PG	Fox
Night of the Iguana	NR	MGM
Nightmare on Elm Street 3	R	Universal
Oliver's Story	PG	Paramount
The Pick-up Artist	PG-13	Fox
Psycho III	R	Universal
The Secret of My Success	PG-13	Universal
Summer of '42	PG	WB

Original Programming/Specials

An All-Star Tribute to Woody Guthrie and Leadbelly
Elayne Boosler: Party of One
Free the Children: the Bishop Tutu World Peace Concert
Gleason: He's the Greatest
Island Records: The Allstar Story
Out of the Shadows

Highlights

Adventures in Babysitting	PG-13	Touchstone
An All-Star Tribute to Woody Guthrie and Leadbelly		
The Boys (Boys101)		
Down Twisted	PG	Cannon
Free the Children: The Bishop Tutu World Peace Concert		
Gleason: He's the Greatest		
Out of the Shadows		
Stakeout	R	Touchstone
Tin Men	R	Touchstone
Tough Guys Don't Dance	R	Cannon

Stakeout

(**denotes duplicated and exclusive between Showtime and TMC)

CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	355	6,519,464
Alternate View Network	250	4,000,000
Arts & Entertainment (A&E)	2,600	34,200,000
Black Entertainment Television (BET)	1,200	20,000,000
Cable News Network (CNN)	11,860	46,238,000
Cable TV and Appliance Network	N/A	1,500,000
Cable Value Network	1,600	19,182,831
CBN Cable Network*	8,215	41,642,000
C-SPAN	3,000	39,000,000
C-SPAN II	539	15,400,000
Country Music Television	862	8,000,000
The Discovery Channel	3,000	31,200,000
ESPN	19,500	47,800,000
Eternal Word Television Network (EWTN)	447	9,400,000
FamilyNet	47	1,200,000
The Fashion Channel	600	10,100,000
Financial News Network (FNN)	1,990	30,000,000
FNN/Score	1,150	19,800,000
FNN/TelShop	950	12,500,000
GalaVision***	300	1,000,000
Headline News	3,871	32,028,000
Home Shopping Network	1,314	15,088,786
Home Shopping Network 2	293	5,350,933
The Inspirational Network (PTL)	950	10,500,000
International Television Network	56	7,868,900
The Learning Channel	930	12,000,000
Lifetime	3,600	40,800,000
Mind Extension University	84	1,400,000
Movietime	200	7,000,000
MTV	4,780	40,300,000
The Nashville Network	6,987	40,217,000
National Jewish Television (NJTV)	295	6,800,000
Network 1 USOA**	N/A	N/A
Nick At Night	3,165	34,600,000
Nickelodeon	5,955	39,000,000
The Nostalgia Channel	185	2,500,000
Prevue Guide	105	2,100,000
QVC Network	920	12,400,000
Shop Television Network	100	3,600,000
Silent Network	380	10,300,000
Tempo Television	750	12,000,000
The Travel Channel	300	9,000,000
Trinity Broadcasting Network	588	8,522,000
USA Network	10,100	45,200,000
Video Hits One (VH-1)	1,930	25,700,000
The Weather Channel	3,200	34,300,000
WGN-TV	11,071	24,653,463
WWOR-TV	2,293	9,657,482
WPIX-TV	858	9,678,474
WTBS-TV	12,770	45,106,000

Pay services

American Exxxtasy	35	27,000
American Movie Classics	1,500	12,000,000
Bravo	350	1,300,000
Cinemax	3,650	5,100,000
The Disney Channel	5,000	3,810,000
Festival	100	42,500
Home Box Office (HBO)	6,700	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	550	490,000
Showtime	3,200	5,700,000

Audio services

Cable Radio Network	49	1,566,736
Galactic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,576,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
DBC/MarketWatch	462	9,200,000
Electronic Program Guide (EPG)	390	9,200,000

Text services	Affiliates	Subscribers
EPG Jr.	156	180,000
Genesis Cable Storytime	39	1,550,000
Reuters News View	127	2,437,000
X*Press Executive	427	5,001,829
X*Press X*Change	427	4,000,000

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,000
Telaction	1	4,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	177,000
Bay Area Religious Channel (BARC)	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,000,000
KTVT	415	3,588,270
Life Newsvision	35	50,000
Madison Square Garden	112	2,400,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	532,000
Prime Cable	9	381,938
Prime Ticket	55	2,300,000
SportsVision (Chicago)	50	1,507,270
The Sunshine Network	112	1,554,289

Pay services

Home Sports Entertainment Houston/Dallas	196	684,740
Home Team Sports	114	1,000,000
New England Sports Network	160	262,138
PRISM-Philadelphia	87	427,000
Pro-Am Sports	140	301,000
SportsChannel (Florida)	10	470,000
SportsChannel (New England)	147	942,943
SportsChannel (New York)	94	1,150,000
Z Channel	65	100,010

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: *CableVision*, Attention: Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.
N/A denotes information not available.
TBA denotes to be announced.
* will change name to CBN Family Channel Sept. 3.
** will change name to Eco Sept. 1
*** launched 8/1/88

Announced services

Satellite-fed services	Expected launch
American Man's Network	2/89
ATV:Advertising Television	10/88
CD/8: The Digital Music Network	9/88
The Computer Channel	1/89
Digital Cable Radios	1st Quarter 1989
Digital Radio Labs	4th Quarter 1988
Interactive Game Network	3rd Quarter 1989
Kids Information Network	4th Quarter 1988
The Landscape Channel	4th Quarter 1988
Laugh TV	3rd Quarter 1988
Main Street	4th Quarter 1988
RFD TV	8/88
Talk Television	1st Quarter 1989
TNT	10/88
Visions Interface Satellite Network	9/88
Wingtips	3rd Quarter 1988

AUGUST 29, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

GRIMES LEAVING ESPN

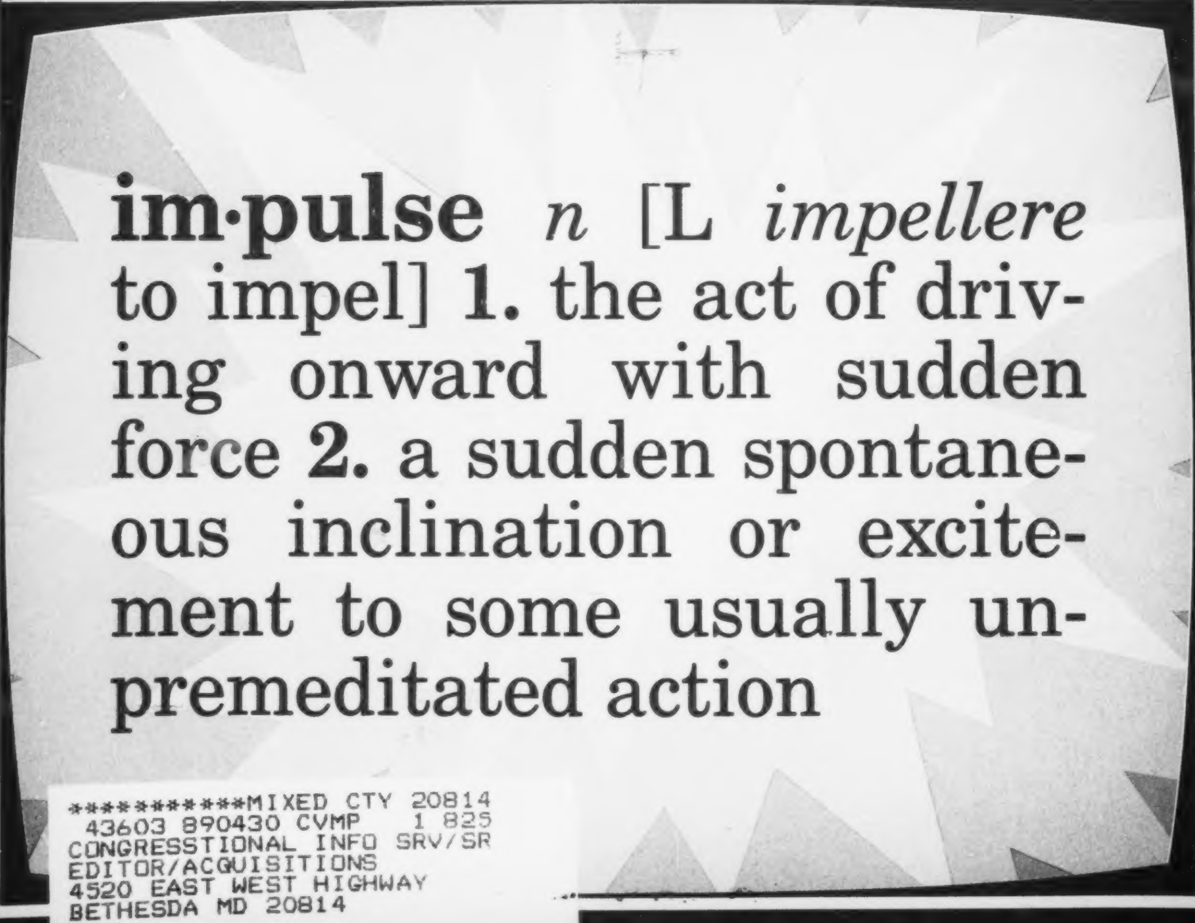
DOLAN DOES A DEAL

FIGURING BUY RATES

UAE SETS UP SHOP

SAY HELLO TO H.I.

THE BIG STORY IN HARDWARE: SEEING THE FULL POTENTIAL OF PPV



im·pulse *n* [L *impellere* to impel] **1.** the act of driving onward with sudden force **2.** a sudden spontaneous inclination or excitement to some usually unpremeditated action

***********MIXED CTY 20814
43603 890430 CVMP 1 825
CONGRESSTIONAL INFO SRV/SR
EDITOR/ACQUISITIONS
4520 EAST WEST HIGHWAY
BETHESDA MD 20814

CableVision

FRONT LINE

Grimes leaving ESPN 12
In many minds he was ESPN, but now Bill Grimes is leaving to head up Univision, the Spanish broadcasting and cablecasting subsidiary of Hallmark Cards. Returning from a seven-month stint at parent ABC, Roger Werner will take the reins of the sports channel.

Dolan does a deal 16
Cablevision Systems is willing to pay a premium for some Viacom cable systems to widen its hold on the Long Island market, while Viacom gets some much-needed cash and its first cable partner in Showtime/The Movie Channel.

Syndex challenges mount 20
Turner Broadcasting serves notice with a federal appeals court that it may challenge the new syndicated exclusivity rules, while the NCTA prepares a petition for reconsideration at the FCC.

MSG fights for basic 24
Madison Square Garden Network and Cablevision Systems are feuding over whether the regional sports service should be offered as a pay or a basic. And as usual in New York sports stories, George Steinbrenner is lurking in the shadows.

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There seem to be as many ways of computing buy rates as there are pay-per-view providers, but some are now calling for a standard yardstick, and a CTAM committee is studying the situation.

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The mega-merger of United, UACI and Daniels accelerates into second gear and is driving toward the finish line as executives begin playing musical mahogany desks in Denver.

A ceremony in Cerritos 34
The controversial cable/telco arrangement for wiring Cerritos has played out on the national stage, but it's just a family affair as the small California town breaks ground to welcome cable service.

FORUM

Tempering the tax bite 36
Suddenly, state and local taxes are beginning to take a big bite, but there are several tactics that can be employed to hold the tax man at bay, writes financial consultant Norval Reece.

LAW AND REGULATION

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We all know about the swinging pendulum in Washington, but who is pushing it, and why? As Congress rushes toward adjournment, we reassess the battle lines and forecast what's ahead.

BUSINESS AND FINANCE

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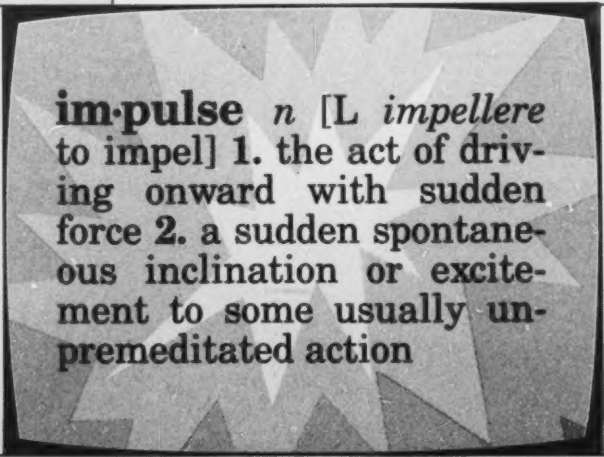
Giant utility Houston Industries emerges as the winning bigger for the Rogers systems, paying $2,409 per sub—16 times projected cash flow—in a deal that surprises many.

A $1 billion loan 51
Cablevision Systems secures a nine-zero loan that, for the first time in cable, allows the MSO to avail itself of a competitive bid facility offering lower rates.

The TCI stock slide 54
Uncertainty over interest rates and unrest in Washington are fingered as culprits in a steady plunge in TCI stock prices, which have dropped 30 percent.



im·pulse *n* [L *impellere* to impel] 1. the act of driving onward with sudden force 2. a sudden spontaneous inclination or excitement to some usually unpremeditated action

COVER STORY

Impulse advances 40
As talk of HDTV and fiber optics whets the appetite for a new age in video communications, the most visible sign that that era is dawning can be seen in the rush to roll out "true impulse" pay-per-view. It's coming, and it's big.

BETWEEN THE LINES

Daniels' message deserves rereading

The two or three hundred admirers who attended the recent Bill Daniels roast in Denver had loads of fun laughing at the barbs directed at the man who is called the father of the cable industry. Stewart Blair was especially sharp-witted in recounting Daniels' legendary romantic tendencies. But even as we chuckled at the exploits of Wild Bill, another side of the man was coming through in a Forum column he wrote for the July 4 issue of *CableVision*.

The thoughts he had expressed then returned to mind as we were putting together an update on the merger that will see Daniels leave cable system ownership within a few weeks (p.32). The philosophy he advanced in that article deserves a second reading, and here it is, shortened somewhat to fit this space:

"Cable is leading America's communications revolution. We're the fastest-growing media industry and we've literally changed the face of television for every viewer. But in some areas, we've still got some catching up to do.

"We do at best an average job of creating and perpetuating a positive presence in the very communities that support us. We fall short in deserving community praise. Even so, we're doing pretty well as it is. Our penetration levels are at record highs. We're generating operating margins unheard of in other businesses. Our shareholders love us. But our customers still wonder about our level of commitment.

"Even in today's modernized global village of instant media—in an age when we can find out who wins a federal election before they shut down the polls in California—people exhibit profound and lasting ties for their own community. They are proud of their shopping centers. They carefully read their local newspaper. They are concerned whether the elementary school is doing the best possible job. They count any potholes.

"Believe me, people want to feel that the company whose product enters their living room every day through a coaxial wire—a company that regularly asks for a portion of their paycheck—demonstrates more than a little concern for their community.

"Like a human being, a cable company should grieve when a cherished leader dies, celebrate when a high school gymnast wins a collage scholarship, contribute to a neighborhood revitalization project. If the cable company cares, the community begins to reciprocate. Residents may not be so quick to place blame when a NBA game on TBS is marred by a brief signal failure. Indeed, they may begin writing letters complimenting your service. They may pay more attention to the system's advertising messages. And eventually, they'll become more loyal customers.

"Many corporations and systems within our industry—and many of you individually—have made a big difference in the lives of those less fortunate than ourselves by making charitable donations. This is an important part of community involvement. Volunteering your time, giving surplus equipment and using the cable system as a communications vehicle are other obvious ways to help.

"Community service won't necessarily boost your market penetration or cash flow—at least not right way. But if you look a bit deeper, I think you'll realize the longer term benefits to your business. I'm convinced that when you put something back into the community, ultimately you benefit...personally and in terms of business."

—Steve Tuttle
Editor, Associate Publisher

CableVision

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August 29, 1988
Volume 12, Number 51

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 S. Cherry Street, Suite 400, Denver, Colorado 80222 -or- P.O. Box 5208-TA, Denver, CO 80217. August 29, 1988, Volume 12, Number 51. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 S. Cherry St., Suite 400, Denver, Colorado 80222.

ABP BPA

MSG, Dolan fighting a basic battle

By Wayne Friedman

NEW YORK—Madison Square Garden Network and Cablevision Systems are at odds in a dispute that could end up displeasing about 200,000 New York Knicks basketball and Rangers hockey fans.

Cablevision is warning that it may drop MSG when its five-year contract expires Sept. 14, not because of price but because the parties disagree on how the regional sports service should be marketed to subscribers.

According to Jim Kolfalt, president of operations for Cablevision Systems, MSG is demanding that it be carried on basic over the MSO's systems in the area, or not at all.

Even though almost all of MSG's 2.5 million subscribers receive the service as a basic, Cablevision's philosophy has been to price MSG Network as a pay, Kolfalt said, because it commands the highest wholesale price of all basic services—about 60 cents to 75 cents a sub/month. Cablevision Chairman Charles Dolan said that in the New York marketplace, where teams demand high rights fees, all sports channels should be sold as pays, as Cablevision does with its own SportsChannel New York. MSG carries all Knicks and Rangers home games and many of their road appearances.

Cablevision executives said they don't believe MSG should be offered on basic, because the high cost of the network should not be passed on to all subscribers, some of whom are not sports fanatics. "Those who like sports shouldn't subsidize those who don't," Kolfalt said.

Complicating the cost debate are questions about subscriber interest, Cablevision officials said. Even though about 30 percent of Cablevision's 500,000 New York metro subscribers take a premium tier containing MSG, far fewer are interested in MSG's two main attractions. "No more than 15 percent of our subscribers have an interest in the Knicks and Rangers," said Dolan. But Robert Gutkowski, executive vice president of MSG Communications Group, which owns MSG Network, counters that asking subs to spend up to $44 dollars a month in order to receive the network keeps interest low.

Top Basic Cable Network Sports Programs
August 8-14

	Date	Program	Net	Rating	Homes
1.	8/14	NFL Preseason: Steelers-Eagles	ESPN	4.9	2,342,000
2.	8/8	Baseball: Braves-Giants	WTBS	2.5	1,126,000
3.	8/10	Baseball: Braves-Padres	WTBS	2.5	1,113,000
4.	8/14	SportsCenter	ESPN	2.4	1,147,000
5.	8/12	Baseball: Braves-Reds	WTBS	2.4	1,064,000
6.	8/13	Baseball: Braves-Reds	WTBS	2.2	979,000
7.	8/14	Nascar Winston Cup Race	ESPN	2.0	956,000
8.	8/12	Top Rank Boxing	ESPN	2.0	956,000
9.	8/12	PGA Championship	ESPN	1.8	860,000
10.	8/14	Baseball: Braves-Reds	WTBS	1.8	818,000

Source: Nielsen HomeVideo Index

Gutkowski doesn't disagree that MSG is expensive, but he said that comes with the territory. "Our programming is more important, more proprietary (to the local market)," he said.

But Gutkowski said the main point is that even though the service is sold to all operators as basic, and usually is transmitted to homes that way, Cablevision buys it as a basic and sells it as a pay. And while most pay services split fees with operators, Cablevision does not, he said.

Gutkowski said MSG's current rate card is 80 cents/sub/month, a rate MSG receives from Cablevision for 600,000 basic subs, even though a third of those subs actually get MSG. He said MSG receives an extra half-cent per sub/month per event from Cablevision because it is offered as a pay, an incremental charge Gutkowski said is minimal.

If MSG were offered on basic, "we wouldn't get an extra penny" from Cablevision, Gutkowski said. On the other hand, he said, by distributing MSG as a pay, Cablevision reaps roughly $10-$12 a sub/month in income which isn't split with MSG.

Cablevision is unhappy that MSG wants to include a provision in the next carriage contract that triggers an amendment should MSG procure another big sports franchise. George Steinbrenner, majority owner of the New York Yankees, has the option to buy out the remainder of his contract with SportsChannel for Yankee games next year. It's been rumored that he's considering putting the Yankees on rival MSG. If MSG were to get the Yankees, says Kolfalt, Cablevision would then be required to pay higher license fees. "That's like asking for a blank check," he said.

MSG officials said they believe that Cablevision has adopted a tough bargaining position because of the competition between MSG and SportsChannel for local sports. "If we have fewer subscribers, we wouldn't be able to pay as much for the rights to the Yankee games," Gutkowski said. He said those contract discussions could start this November if Steinbrenner exercises his buyout option.

This isn't the first time MSG and Cablevision have exchanged sharp words. In the late '70s, the MSO didn't carry the regional sports network for similar reasons. Extra monies were agreed to, and MSG came back as a pay service.

Although contract talks are stalled, for the moment, Gutkowksi offers some hope, possibly a willingness to make some compromise. "This is not Sept. 14," he said. ■

PROGRAMMING/Pay-Per-View Supply Chart

August

Source

Action Jackson (8/1) Lorimar
MPAA Rating: R Running Time: 98,58 mins.
Cast: Carl Weathers, Vanity.

Brain Damage (8/11) Paramount
MPAA Rating: R Running Time: 84 mins.
Cast: Rich Herbst, Gordon McDonald, Jennifer Lowry.

Bugs Bunny Superstar (8/1) MGM/UA
MPAA Rating: G Running Time: 91 mins.
Cast: Animated.

D.O.A. (8/19) Touchstone
MPAA Rating: R Running Time: 98 mins.
Cast: Dennis Quaid, Meg Ryan.

Eddie Murphy "Raw" (8/11) Paramount
MPAA Rating: R Running Time: 91 mins.
Cast: Eddie Murphy.

Full Metal Jacket (8/3) Warner Bros.
MPAA Rating: R Running Time: 116 mins.
Cast: Matthew Modine, Adam Baldwin, Vincent D'Onofrio.

Hello Mary Lou: Prom Night II (8/1) S. Goldwyn
MPAA Rating: R Running Time: 96 mins.
Cast: Michael Ironside, Wendy Lyon.

High Tide (8/30) HBO Enterprises
MPAA Rating: PG13 Running Time: 104 mins.
Cast: Judy Davis, Jan Adele.

The Howling III (8/1) Vestron
MPAA Rating: PG13 Running Time: 94 mins.
Cast: Barry Otto, Imogen Annesley, Max Fairchild.

The Manchurian Candidate (8/19) MGM/UA
MPAA Rating: PG13 Running Time: 128 mins.
Cast: Frank Sinatra, Laurence Harvey.

Moving (8/24) Warner Bros.
MPAA Rating: R Running Time: 89 mins.
Cast: Richard Pryor, Randy Quaid, Beverly Todd.

September (8/1) Orion
MPAA Rating: PG Running Time: 82 mins.
Cast: Mia Farrow, Denholm Elliott, Diane Wiest, Jack Warden.

68 (8/1) HBO Enterprises
MPAA Rating: R Running Time: 99 mins.
Cast: Eric Larson, Sandor Tecsi, Robert Locke, Neil Young.

A Tiger's Tale (8/11) Paramount
MPAA Rating: R Running Time: 91 mins.
Cast: Ann-Margaret, C. Thomas Howell, Charles Durning.

The Trouble With Spies (8/1) HBO Enterprises
MPAA Rating: PG Running Time: 88 mins.
Cast: Donald Sutherland, Ruth Gordon, Lucy Gutteridge.

Wall Street (8/1) 20th Century-Fox
MPAA Rating: R Running Time: 126 mins.
Cast: Michael Douglas, Charlie Sheen, Daryl Hannah.

You Can't Hurry Love (8/27) Vestron
MPAA Rating: R Running Time: 91 mins.
Cast: Sally Kellerman, Charles Grodin, Kristy McNichol.

September

Source

Batteries Not Included (9/15) Universal
MPAA Rating: PG Running Time: 102 mins.
Cast: Hume Cronyn, Jessica Tandy.

Coming Up Roses (9/1) Skouras
MPAA Rating: PG Running Time: 90 mins.
Cast: Dafydd Hywel, Iola Gregory.

18 Again (9/15) HBO Enterprises
MPAA Rating: PG Running Time: 120 mins.
Cast: George Burns, Charlie Schlatter, Tony Roberts.

Empire of the Sun (9/21) Warner Bros.
MPAA Rating: PG Running Time: 152 mins.
Cast: John Malkovich, Miranda Richardson, Nigel Haves.

Half of Heaven (9/1) Skouras
MPAA Rating: NR Running Time: 124 mins.
Cast: Angela Molina.

The Milagro Beanfield War (9/15) Universal
MPAA Rating: R Running Time: 118 mins.
Cast: Sonia Braga, Ruben Blades, Melanie Griffith.

Planes, Trains and Automobiles (9/15) Paramount
MPAA Rating: R Running Time: 93 mins.
Cast: Steve Martin, John Candy.

Police Academy 5: Assignment Miami Beach (9/28) Warner Bros.
MPAA Rating: PG Running Time: 90 mins.
Cast: G.W. Bailey, Bubba Smith, Janet Jones.

Promised Land (9/17) Vestron
MPAA Rating: R Running Time: 96 mins.
Cast: Kiefer Sutherland, Tracy Pollan, Meg Ryan.

Student Affairs (9/17) Vestron
MPAA Rating: * Running Time: 92 mins.
Cast: Louie Bonanno, Jim Abele.

The Telephone (9/1) HBO Enterprises
MPAA Rating: R Running Time: 97 mins.
Cast: Whoopi Goldberg, Elliott Gould, John Hurt.

Traxx (9/17) HBO Enterprises
MPAA Rating: R Running Time: 84 mins.
Cast: Shadoe Stevens, Priscilla Barnes, Willard Push.

White of the Eye (9/15) Paramount
MPAA Rating: R Running Time: 111 mins.
Cast: David Keith.

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	ADDRESSABLE SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy I, tr.5	VideoCipher II	Movies, how-to's, special events.	1,000,000
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	Movies and special events.	1,400,000
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	1,000,000
Request Television	November 27, 1985	R-1: Satcom III-R, tr. 19 R-2: Satcom III-R, tr. 4	VideoCipher II	Two channels offering movies and special events.	3,300,000
Tuxxedo Network	December 1, 1987	Galaxy II, tr. 10	VideoCipher II	Adult movies and special events.	200,000
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Two channels of movies and special events.	3,200,000
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: movies. Channel 2: cult movies and video rental favorites. Channel 3: additional plays of Chs. 1/2 titles. Channel 4: previews and barker information.	60,000

Cable network ad performance

June 1988 billings	June 1987 billings	Year-to-year dollar change	Year-to-year percent change
$47,889,258	$50,022,422	-$2,133,164	-4.3%

Top 10 cable net sponsors/June 1988

1. Procter & Gamble	$2,662,599	6. Clorox	$ 957,785
2. Philip Morris	1,843,919	7. Time Inc.	918,744
3. Anheuser-Busch	1,408,579	8. Schering-Plough	900,560
4. General Mills	1,355,866	9. RJR Nabisco	800,687
5. Eastman Kodak	1,160,673	10. Gillette	748,535

Top 10 sponsors/2nd Quarter 1988

1. Procter & Gamble	$14,146,430	6. RJR Nabisco	$ 6,156,088
2. Philip Morris	11,892,953	7. Eastman Kodak	6,076,831
3. General Mills	8,559,534	8. Chrysler	5,695,750
4. Anheuser-Busch	8,550,447	9. Mars Inc.	5,021,601
5. Time Inc.	7,824,133	10. Gillette	4.719,942

Source: Broadcast Advertising Reports data; figures represent combined billings of CBN, CNN, ESPN, MTV, USA and Superstation TBS

	2nd Qtr. 1988 billings	2nd Qtr. 1987 billings	Year-to-year dollar change	Year-to-year percent change
CBN	$ 8,643,027	$15,954,008	-$7,098,019	-44.5%
CNN	26,424,352	21,879,365	4,544,987	20.8%
ESPN	28,468,804	26,482,242	1,986,562	7.5%
MTV	20,728,252	19,710,677	1,017,575	5.2%
USA	25,983,804	17,647,344	8,336,460	47.2%
TBS	59,717,708	52,307,800	7,409,908	14.2%

Source: Broadcast Advertising Reports data

Subscriber universe estimates

	Total TV households	Cable TV households	Cable percent of TV households
A.C. Nielsen	88,600,000	47,042,470	52.8%
Arbitron	88,812,800	45,886,600	51.7%
Paul Kagan Associates	88,970,000	44,030,000	49.4%

Subscriber numbers as of July 1988
Nielsen figures include Alaska and Hawaii

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,182,790	(8/88)
2.	American Television & Communications Corp.	3,780,000	(5/88)
3.	Continental Cablevision.	2,228,000	(4/88)
4.	Storer Cable Communications.	1,488,534	(5/88)
5.	Warner Cable Communications.	1,454,989	(5/88)
6.	Cox Cable Communications.	1,441,849	(5/88)
7.	Comcast	1,383,724	(3/88)
8.	United Cable.	1,210,426	(5/88)
9.	Viacom Cable.	1,097,000	(6/88)
10.	Newhouse Broadcasting.	1,078,336	(6/88)
11.	Cablevision Systems Corp.	1,070,861	(6/88)
12.	Heritage Communications.	1,057,541	(5/88)
13.	Jones Intercable.	1,019,871	(8/88)
14.	Times Mirror Cable TV.	933,541	(4/88)
15.	Sammons Communications.	841,687	(5/88)
16.	UA Cablesystems.	814,612	(6/88)
17.	Century Communications Corp.	715,000	(8/88)
18.	Paragon Communications.	677,400	(4/88)
19.	Cooke Cablevision.	625,000	(8/88)
20.	Adelphia Communications.	611,590	(8/88)
21.	Cablevision Industries.	599,376	(7/88)
22.	Centel Cable.	546,332	(8/88)
23.	Telecable Corp.	545,361	(8/88)
24.	Rogers Cablesystems Inc.	529,708	(12/87)
25.	Falcon Cable TV.	526,000	(8/88)
26.	Daniels & Associates.	525,117	(4/88)
27.	Scripps-Howard.	475,000	(8/88)
28.	Wometco Cable TV.	429,862	(5/88)
29.	Prime Cable.	422,442	(5/88)
30.	Post-Newsweek Cable.	391,000	(8/88)
31.	Tele-Media.	384,648	(5/88)
32.	Multivision Cable TV.	381,627	(4/88)
33.	TCA Group.	337,999	(1/88)
34.	Lenfest Group.	327,378	(4/88)
35.	Maclean Hunter Cable TV.	322,225	(4/88)
36.	WestMarc Communications.	318,068	(6/88)
37.	Multimedia Cablevision.	313,167	(4/88)
38.	Rifkin & Associates.	300,200	(5/88)
39.	Colony Communications.	262,457	(6/88)
40.	Western Communications.	259,398	(6/88)
41.	TKR Cable.	251,066	(7/88)
42.	Star Cablevision Group.	245,950	(6/88)
43.	Simmons Communic[illegible]	235,000	(8/88)
44.	Communications Serv[illegible]	225,000	(4/88)
45.	Cencom Cable.	224,062	(5/88)
46.	Service Electric Cable TV Inc.	220,000	(8/88)
47.	Taft Cablepartners.	207,880	(6/88)
48.	Hauser Communications.	199,141	(4/88)
49.	Greater Media.	170,558	(6/88)
50.	Harron Communications.	164,389	(5/88)
51.	Media General.	164,200	(6/88)
52.	Columbia International.	161,243	(4/88)
53.	Sutton Capital Group.	158,463	(8/88)
54.	Palmer Communications.	151,221	(8/88)
55.	U.S. Cable Corp.	146,242	(6/88)
56.	Armstrong Utilities.	146,203	(5/88)
57.	McDonald Group.	142,548	(4/87)
58.	Triax Communications.	141,000	(6/88)
59.	Insight Communications.	140,000	(8/88)
60.	Summit Communications.	130,108	(6/88)
61.	Cable Systems USA.	129,078	(4/88)
62.	Sonic Communications.	116,656	(6/88)
63.	King Videocable.	116,086	(5/88)
64.	Brennan Communications.	115,227	(8/88)
65.	Northland Communications.	115,226	(4/88)
66.	Booth Communications.	111,000	(8/88)
67.	Susquehanna Broadcasting.	108,486	(6/88)
68.	Midcontinent Cable Systems Co.	102,672	(8/88)
69.	United Video Management.	97,000	(8/88)
70.	Omega Communications.	90,500	(3/88)
71.	Coaxial Communications.	90,363	(8/88)
72.	WEHCO Video.	90,038	(8/88)
73.	Pencor Services.	87,077	(8/88)
74.	Selkirk Communications.	74,428	(8/88)
75.	Enstar Communications.	70,097	(4/88)
76.	Rock Associates.	67,802	(5/88)
77.	Chambers Communications Corp.	63,000	(8/88)
78.	Mountain Cable Co.	61,246	(8/88)
79.	Cardinal Communications.	58,000	(8/88)
80.	Gilbert Media.	58,000	(8/88)
81.	Hearst Communications Of California.	56,003	(8/88)
82.	C-TEC Cable Systems.	52,347	(6/88)
83.	State Cable TV.	52,939	(3/88)
84.	Joseph Gans Cable TV.	52,000	(4/88)
85.	Douglas Communications.	50,741	(3/88)
86.	Helicon Corp.	50,000	(3/88)
87.	New England Cablevision.	49,586	(6/88)
88.	Bachow & Elkin Communications.	49,142	(6/88)
89.	Galaxy Cablevision.	48,500	(4/88)
90.	Prestige Cable TV Inc.	48,434	(5/88)
91.	Telesat Cablevision Inc.	47,755	(4/88)
92.	Donrey Media Group.	45,869	(5/88)
93.	CableAmerica.	42,337	(5/88)
94.	Leonard Communications.	42,178	(5/88)
95.	CableSouth Inc.	41,390	(5/88)
96.	Acton Corp.	38,500	(12/87)
97.	Countryside Cable.	35,000	(2/88)
98.	ParCable.	34,342	(6/88)
99.	James Cable Partners.	34,000	(8/88)
100.	Mickelson Media.	30,611	(7/88)

Subscriber counts are provided by MSOs and systems to *CableVision*. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to *CableVision*, Attention: Cable Stats, 432 Park Avenue So., Ste. 1010, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	304,559	(6/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	245,000	(3/88)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
6.	Puget Sound, WA	Viacom	203,000	(6/88)
7.	Honolulu, HI	ATC	194,000	(3/88)
8.	Phoenix, AZ	Times Mirror	191,126	(4/88)
9.	Houston, TX	Warner Cable	189,104	(6/88)
10.	Hartford/Plainville/Vernon, CT	United Cable	172,289	(5/88)
11.	Chicago (suburbs)	Continental	168,000	(4/88)
12.	Wayne, NJ	UA Cablesystems	166,241	(6/88)
13.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
14.	Englewood, CO	United	161,002	(5/88)
15.	Rochester, NY	ATC	161,000	(6/88)
16.	Cincinnati, OH	Warner	158,929	(5.38)
17.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
18.	Fairfax, VA	Media General	154,000	(6/88)
19.	Atlanta, GA	Prime Cable Corp.	153,557	(3/88)
20.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
21.	Tulsa, OK	United	152,257	(5/88)
22.	Connecticut Complex	Cablevision Co.	147,322	(6/88)
23.	Cherry Hills, NJ	NYT	145,075	(7/87)
24.	Orlando,FL	ATC	143,500	(6/87)
25.	San Jose/Campbell, CA	Gill Cable	137,962	(6/88)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Baltimore County, MD	Comcast	136,096	(6/88)
28.	Upper Manhattan, NY	Paragon Cable	136,000	(4/88)
29.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
30.	Charlotte, NC	ATC	128,000	(3/88)
31.	St. Louis Co., MO	Cencom Cable	127,476	(6/88)
32.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
33.	San Francisco, CA	Viacom	123,000	(6/88)
34.	Pompano, FL	Continental	123,000	(4/88)
35.	San Diego, CA	ATC	121,000	(3/88)
36.	Long Island, NY	Viacom	120,700	(3/88)
37.	Austin, TX	ATC	119,000	(3/88)
38.	Seattle, WA	TCI	112,500	(12/87)
39.	Warren, NJ	TKR	112,116	(7/88)
40.	Toledo, OH	Blade Communications	108,861	(5/88)
41.	Dallas, TX	Heritage	107,880	(5/88)
42.	Southeast Michigan	Comcast	104,803	(6/88)
43.	San Juan, PR	Multivision Cable	104,757	(12/86)
44.	Grand Rapids, MI	UA Cablesystems	103,061	(6/88)
45.	Wilmington, DE	Heritage	103,255	(5/88)
46.	Jefferson Parish/Kenner, LA	Cox Cable	101,819	(3/88)
47.	Pinellas County, FL	Vision Cable	100,814	(6/88)
48.	Tacoma, WA	Viacom	99,000	(6/88)
49.	Raleigh/Durham, N.C.	ATC	98,000	(3/88)
50.	Indianapolis, IN	Comcast	97,790	(6/88)
51.	Escondido, CA	Times Mirror	96,519	(4/88)
52.	Richmond, VA	Continental	94,584	(4/88)
53.	Dade/Broward, FL	Storer	94,577	(5/88)
54.	Boston, MA	Cablevision Co.	92,315	(6/88)
55.	Pittsburgh, PA	TCI	91,000	(12/87)
56.	Nashville, TN	Viacom	90,000	(6/88)
57.	Chicago, IL	Group W	89,500	(7/88)
58.	Worcester Complex, MA	Greater Media	89,497	(6/88)
59.	Jackson MS/Monroe LA	ATC	89,000	(3/88)
60.	Milwaukee, WI	Warner	88,126	(5/88)
61.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
62.	Las Vegas, NV	Prime Cable	86,852	(5/88)
63.	Orange County, CA	Times Mirror	86,607	(4/88)
64.	Greensboro, NC	ATC	86,000	(3/88)
65.	Dover, Morristown, NJ	Sammons	82,871	(5/88)
66.	Portland, OR	Rogers	82,587	(6/88)
67.	Harrisburg, PA	Sammons Communications	82,334	(5/88)
68.	South Bend, IN	Heritage	80,776	(5/88)
69.	Oakland County, MI	United	80,564	(5/88)
70.	New Orleans, LA	Cox Cable	80,348	(3/88)
71.	Baton Rouge, LA	Daniels & Assocs.	79,586	(4/88)
72.	Akron, OH	Warner	79,070	(5/88)
73.	Hillsborough, FL	Paragon	79,000	(4/88)
74.	Independence, MO	Jones Intercable	78,644	(8/88)
75.	Columbus, OH	Warner	78,454	(5/88)
76.	Indianapolis,IN	ATC	78,000	(3/88)
77.	St. Petersburg, FL	Paragon	78,000	(4/88)
78.	Naples, FL	Palmer Communications	77,934	(5/88)
79.	Albuquerque, NM	Jones Intercable	77,599	(8/88)
80.	Medford Complex (Boston Suburbs), MA	Warner	77,167	(5/88)
81.	South Texas, TX	Heritage	77,160	(5/88)
82.	Cleveland Heights, OH	Viacom	76,000	(6/88)
83.	Allentown, PA	Service Electric	75,000	(9/87)
84.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
85.	Fayetteville, NC	ATC	74,000	(3/88)
86.	Flint, MI	Comcast	72,923	(6/88)
87.	Little Rock, AR	Storer	72,681	(5/88)
88.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
89.	Omaha, NE	Cox Cable	73,361	(3/88)
90.	Ocean County, NJ	Adelphia	72,355	(3/88)
91.	Lincoln, RI	Heritage	71,625	(5/88)
92.	Contra Costa Co. CA	WestMarc Communications	70,642	(5/88)
93.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
94.	Des Moines, IA	Heritage	70,148	(5/88)
95.	Santa Monica, CA	Century	69,900	(12/86)
96.	W. San Fernando Valley, CA	Cablevision Industries	69,378	(7/88)
97.	Birmingham, AL	ATC	69,000	(3/88)
98.	El Paso, TX	Paragon	69,000	(4/88)
99.	Syracuse (suburbs), NY	NewChannels Corp.	68,617	(6/88)
100.	New Haven, CT	Storer	68,062	(5/88)

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9/13/88

SEPTEMBER 12, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

JUNK BONDS, HOT STUFF

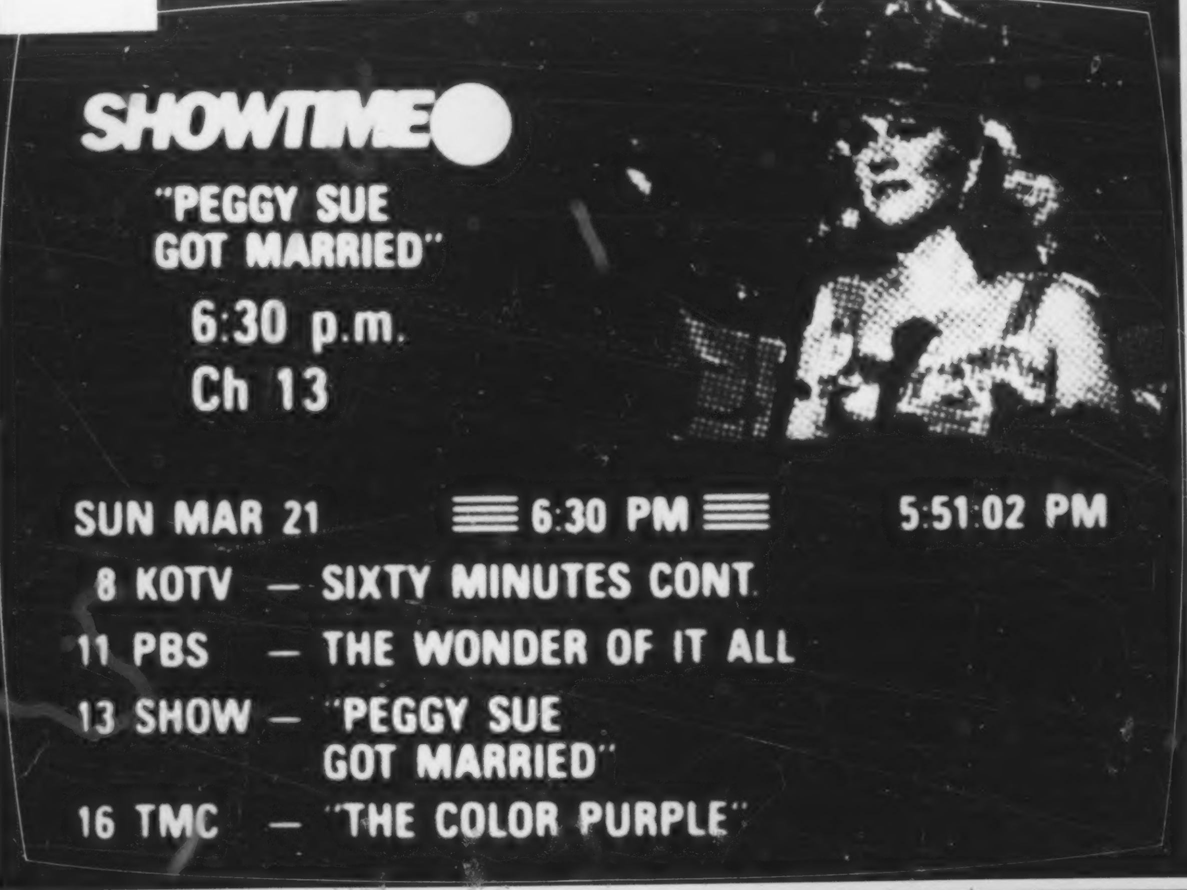
HACKERS: WHO ARE THOSE GUYS?

GEARING UP FOR INSERTION

HBO BREAKS THE EMMY ICE

GI SEES THE FIBER LIGHT

CROSS-CHANNEL PROMOS: CAPTURING THE VIEWER



SHOWTIME

"PEGGY SUE
GOT MARRIED"

6:30 p.m.
Ch 13

SUN MAR 21 ☰ 6:30 PM ☰ 5:51:02 PM

8 KOTV — SIXTY MINUTES CONT.
11 PBS — THE WONDER OF IT ALL
13 SHOW — "PEGGY SUE
GOT MARRIED"
16 TMC — "THE COLOR PURPLE"

CableVision

FRONT LINE

GI jumps into fiber 12
Through several moves, General Instrument establishes itself up for the long haul in putting lightwave technology at the service of cable operators.

HBO wins Emmys 16
The acclaimed documentary *Dear America: Letters Home From Vietnam* wins two Emmy Awards for HBO, as cable gets its first shot at the prestigious statues.

FCC votes on HDTV 16
Broadcasters win an important victory when the FCC votes to require that any advanced TV system be compatible with present-day TV sets, but the commission rules that any extra spectrum required come from existing UHF or VHF bands.

CVN gets fashionable 20
After assuming control of the troubled Fashion Channel, Cable Value Network meets with Fashion affiliates at the Eastern Show to shore up relations.

Mickelson sold 21
Century Communications pays $46 million for Mickelson Media and greatly increases its presence in the West.

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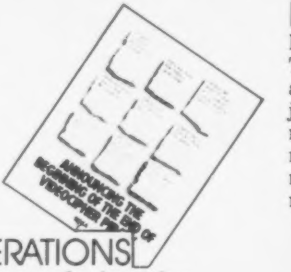
Ancillary sports 22
It's becoming apparent that CNBC primarily will be a news vehicle, with a concession that weekend sports will be "ancillary" programming.

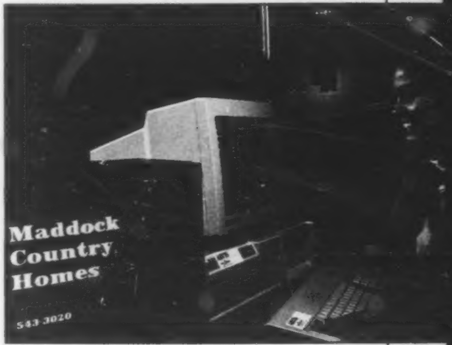

ANNOUNCING THE
BEGINNING OF THE END OF
VIDEOCOPIER

LAW AND REGULATION

Rampant hackers 36
The stark statistic that as many as half of all VCIIs in backyard dishes may have been juiced up with illegal chips implies a mystery appropriate to a John LeCarre novel. But while there is intrigue out there, mostly it's a tale of hackers, a real cops and robbers story.

OPERATIONS

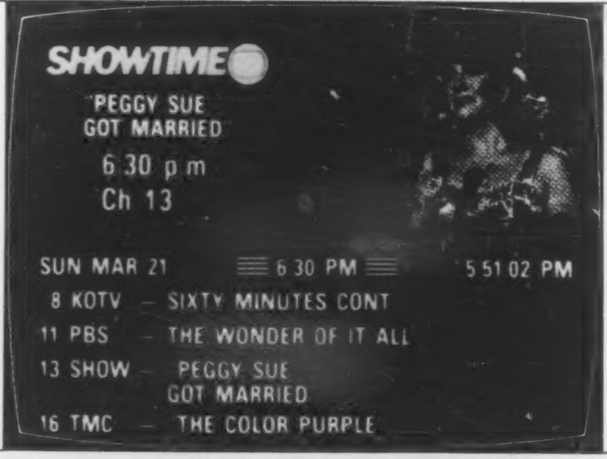
Gearing up for insertion 44
The increasing number of local ads don't just magically appear on the air. They have to be sold, sure, but also they must be trafficked and inserted by equipment that's making a cable headend look more like a TV station.



BUSINESS

Hot junk 60
Pity Viacom. It planned a $300 million offering of high-yield securities, then upped the offering to $500 million only to find it could have sold twice that amount. The junk bond market is hot, and few market sectors are viewed as favorably as cable.

Cooke sells out—again 66
There he goes again. The history of rising system values can almost be traced by the comings and goings of Jack Kent Cooke: Teleprompter for several hundred per sub, McCaw and First Carolina for $2,000 per sub, and now he's offering Cooke Cablevision for $2,800 per sub.



PEGGY SUE
GOT MARRIED
6 30 p m
Ch 13

SUN MAR 21 6 30 PM 5 51 02 PM
8 KOTV — SIXTY MINUTES CONT
11 PBS — THE WONDER OF IT ALL
13 SHOW — PEGGY SUE GOT MARRIED
16 TMC — THE COLOR PURPLE

A Prevue Guide on-air spot showing system-specific listings along with a promotional video clip is an example of the savvier promotional vehicles nowadays

COVER STORY

Coming up next... 24
Cross-channel promotion appears to have sneaked up on operators. Just yesterday, it seems, tune-in was confined to panel sessions at trade shows, but now it's exploding across the industry as vendors and operators ratchet up their game a few notches.

BETWEEN THE LINES

Promoting the product and informing viewers

Every year the three broadcast networks meet with their affiliates to talk business and screen the new fall shows. With that out of the way, attention then focuses on the unveiling of the new network ID jingle and related promotional spots. "CBS Spirit, Oh Yes!" is a punchy one that swims back from memory. The rhythmic "NBC Let's All Be There" was a hit that many affiliates thought couldn't be topped, until that network wowed the crowd the following year with "Come Home to NBC."

Having seen the new network ID and promos, the general managers of the affiliate stations would sit around seriously discussing and weighing the artistic merit and graphic impact of these programming snippets, much as they might try to gauge how successful *Magnum P.I.* might be in the coming year.

Covering those conventions as a callow youth in those days, it seemed riotously funny that such mavens of broadcasting would expend so much time taxing their brains over those precious few seconds of air time.

But those station GMs knew that, in television, the promotion of the product can be as important as the product itself. This truism now is making itself known in the cable business, as is evident from our assessment of the rapidly evolving field of cross-channel promotion and on-air system image development (page 24).

Promoting cable programming to an audience seemingly sated by the complexity of channels is a daunting task. But it is that complexity itself which makes cross-channel promotion all the more important. Laudable progress seems to be coming from several quarters of the industry, not the least from individual systems, which are making the commitment to inform viewers through on-air IDs just who it is that's sending them a bill every month.

And on a related front, it is evident that local ad sales is becoming serious business, given that MSOs and individual systems are spending serious money buying insertion and trafficking equipment (p. 44). In our review of equipment to support local ad sales, we find a lot of good products out there, products that are being put to profitable use.

Through this page, *CableVision* frequently attempts to inform its readers about the editorial direction of the magazine, and changes we are making to provide you with a more useful, attractive product. On that score, we have two things to report to you.

Through reader surveys and informal conversations at trade shows and other meetings, you have told us of your need for more detailed, practical information and analysis of cable equipment and technology. And we are responding by expanding our writing staff and hiring an experienced journalist well versed on issues ranging from converter boxes to billing systems to system architecture. You can read more about Richard Tedesco, our new national editor, on page 21.

Also, beginning next month *CableVision* will have a completely new look, cover to cover. The redesign of the magazine, by a team of experienced artists, reflects the growing complexity of the cable industry and the increasing sophistication of the players in the business. We hope that you will like the new look, but looks alone isn't the main issue; it's our commitment to making the information in the magazine more accessible. Frankly, the fact that we are able to report both of these developments is a reflection of the increasing support that the industry is giving the magazine. We thank you for that support and encouragement, and intend to pay you back through these moves.

—Steve Tuttle
Editor, Associate Publisher

CableVision

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September 12, 1988
Volume 12, Number 52

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC

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ABP BPA

PROGRAMMING

Sports will be 'ancillary' to CNBC

By Wayne Friedman

Describing what CNBC will look like on weekends is simple, says Michael Eskridge, president of the new network. "It's ancillary." Weekends are where it mostly will air sports programming. Business news will air Monday through Friday, and up to noon on the weekends.

This means, in essence, that CNBC primarily will be a business network, says Eskridge. Sports will play a supporting role, and as such will be programmed as other cable sports channels are. "We are not trying to break new ground," he says. "Most sports are already represented (on television)."

Eskridge says that being similar to an ESPN or a SportsChannel means that CNBC will have its share of repeating sports events. And like rival ESPN, it possibly will offer a daily sports news show.

Golf, tennis and college basketball are included in the initial programming strategy, says Eskridge. Although no events have been secured yet, it hasn't escaped notice that NBC holds early-round rights to sell some tennis and golf events. It is also talking with Lou Duva about boxing.

CNBC has told potential cable affiliates that its license fee could contain extra charges to pay for top-notch sports events, should any be obtained. Eskridge wouldn't what top-notch events CNBC has in mind, but he says you can count out NFL football. The extra fee would be over and above the 7 cents a month/sub charge that it initially will charge affiliates. "It's performance based," says Eskridge, depending on how the service fares in ratings.

Although there are economies of scale accruing to CNBC from tapping into NBC News and Sports, there won't be any savings on the advertiser sales side. It'll set up its own sales unit. Could advertisers then buy time on the broadcast network as well as the cable sports program in a package? "I wouldn't think so... (but) it's a possibility," says Eskridge.

The entrance of CNBC into the cable sports arena has prompted some to forecast a bidding war for rights to sporting events product between ABC and its cable unit, ESPN, and NBC and its cable operation, CNBC. But Eskridge doesn't think that will happen. He says there is an abundant supply of sports programs, and not just narrower sports like truck and tractor pulls. For example, he says, many tennis and golf events go untelevised. ■

Figuring why Seattle may be good for Games

Rex Lardner, senior vice president and general manager of the Goodwill Games, can tick off on his fingers several reasons why the 1990 Games in Seattle should be more successful than the less-than-stellar 1986 version.

Finger No. 1 is experience, a quality that also figures into the factors cited on his other fingers. Mainly, TBS has been around the track once now, and is better prepared to stage the mammoth event.

Finger No. 2 for Lardner is increased credibility among athletes and the public. The 1990 Goodwill Games now have been sanctioned by the United States Olympic Committee and other athletic organizations. Quickly running through the other fingers on his hand, Lardner mentions that the Seattle event won't have much television competition, and the fact that the TBS sales team will have about two years in which to sell television spots.

Pepsi is the first advertiser to come on board. John Popkowski, vice president of national sales for TBS, says Pepsi grabbed one of the Games "gold" sponsorship packages, which includes spots, TV billboards, signage, hospitality suites and other goodies. If five such sponsorship packages are sold, Lardner says, it would represent half of all advertising time during the Games. There are 20 total packages in the group, including "silver" and "bronze" advertising deals.

Some advertisers said they thought the Games were overpriced the first time around. "It's going to be a lot more realistic," says Rich Forester, vice president of network programming for Ketchum Communications, about ad prices for the 1990 Games. Part of the reason is the underestimation of a combined over-the-air and cable rating. Turner guaranteed a 5 Nielsen national combined rating. It actually did a 2.5 number. This time around Popkowski is selling a 7 Nielsen NHI rating for running the event only on TBS. ■

Top Basic Cable Network Sports Programs
August 15-21

	Date	Program	Net	Rating	Homes
1.	8/21	NFL: Vikings-Cardinals	ESPN	6.4	3,060,000
2.	8/15	Baseball: Braves-Pirates	WTBS	4.0	1,787,000
3.	8/22	SportsCenter	ESPN	2.8	1,340,000
4.	8/16	Baseball: Braves-Pirates	WTBS	2.8	1,261,000
5.	8/16	Waterskiing	ESPN	2.7	1,290,000
6.	8/21	Nascar: Champion Spark Plug 400	ESPN	2.7	1,290,000
7.	8/18	Truck and Tractor Pulling	ESPN	2.6	1,240,000
8.	8/17	Baseball: Braves-Pirates	WTBS	2.3	1,019,000
9.	8/16	Women's Pro Beach Volleyball	ESPN	2.1	1,000,000
10.	8/16	SportsCenter	ESPN	2.0	960,000

All ratings from Nielsen HomeVideo Index.

Correction: In CableVision edition on August 29, USA's Network boxing event featuring Mark Breland and Pablo Baez on August 11 should have been included in the sports chart. It scored a 2.2. rating.

What's on the Pays/October

Cinemax

New Movies

Title	MPAA Rating	Distributor
A Bullet Is Waiting	NR	Columbia
Amazon Women on the Moon	R	Universal
Angel Heart	R	Tri-Star
Beyond Therapy	R	New World
Busted Up	R	Universal
Convoy	PG	MGM/UA
Crystal Heart	R	New World
Date With An Angel	PG	De Laurentis
Face of a Fugitive	NR	Columbia
The Fall of the Roman Empire	NR	Paramount
The Fourth Protocol	R	Lorimar-Telepics.
Hard Traveling	PG	New World
Here Comes Mr. Jordan	NR	Columbia
Hiding Out	PG13	De Laurentis
Jake Speed	PG	New World
Little Shop of Horrors	PG13	Warner Bros.
The Lost Boys	R	Warner Bros.
Making Mr. Right	PG13	Orion
Malcolm	PG13	Vestron Int.
Missing in Action 2—The Beginning	R	Cannon
The Naked Prey	NR	Paramount
The Name of the Rose	R	Fox
Rage of Honor	R	Hal Roach
Safe At Home	NR	Columbia
The Sandpiper	NR	MGM/UA
The Slugger's Wife	PG13	Columbia
Topper	NR	Hal Roach
Welcome to 18	PG13	American Dist. Group
Who's That Girl	PG	Warner Bros.
Wrong is Right	R	Columbia

Original Programming/Specials

The Max Movie Show (#4)
Charlie Chaplin: The Little Tramp
Cinemax Sessions: A Jazz Session—Sass & Brass
Cinemax Comedy Experiment: Rap Master Ronnie—A Report Card
The Original Max Talking Headroom Show (#1)

Highlights

Cinemax Vintage Performances: John Lennon
Cinemax Sessions: Les Paul & Friends

House of Games	R	Orion
Innerspace	PG	Warner Bros.
Less Than Zero	R	Fox

Innerspace

The Disney Channel

New Movies

An American in Paris	NR	MGM/UA
The Canterville Ghost	NR	Wonderworks
Casebusters	NR	Disney
A Disney Halloween	NR	Disney
A Dog of Flanders	NR	UPA Prod.
The Ghost and Mrs. Muir	NR	20th Century Fox
The Haunted School	NR	Revcom Television
The Horse in the Gray Flannel Suit	G	Disney
Kid Colter	NR	The Movie Store
Lefty, The Ding-A-Ling Lynx	NR	Disney
Classic's Illustrated's The Legend of Sleepy Hollow	NR	Viacom
The Lion, The Witch and The Wardrobe	NR	Distinguished Prod.
Mary White	NR	UPA Productions
Miss Morison's Ghosts	NR	Independent TV Entertainment
Misty	NR	UPA Productions
Mr. Belvedere Rings the Bell	NR	20th Century Fox
Mr. Boogedy	NR	Disney
Mystery on Monster Island	NR	20th Century Fox
On A Clear Day You Can See Forever	G	Paramount
On the Double	NR	Paramount
Once Upon a Brothers Grimm	NR	Four Star Int.
Return From Witch Mountain	NR	Disney
Samson and Delilah	NR	Paramount
Seven Brides for Seven Brothers	G	MGM/UA
Sitting Pretty	NR	20th Century Fox
Swallows and Amazons Forever! Coot Club	NR	Primetime Entertainment
Tex	PG	Disney
The Three Amigos	PG	HBO
The Three Caballeros	G	Disney
Topper	NR	Hal Roach
Topper Returns	NR	Hal Roach
Topper Takes a Trip	NR	Hal Roach
The Watcher in the Woods	PG	Disney
Witch's Sister	NR	Film Gallery
The World's Greatest Athlete	G	Disney

Original Programming/Specials

All the Best, Steve Allen	NR
Dr. Seuss's Halloween is Grinch Night	NR
Funny, You Don't Look 200	NR
The Halloween That Almost Wasn't	NR
Jack London's Tales of the Klondike: The One Thousand Dozen	NR
Raggedy Ann & Andy: The Pumpkin That Couldn't Smile	NR

JFK: A Celebration of His Life and Times

Highlights

JFK: A Celebration of His Life and Times	
Kaleidoscope Concert: Glenn Bennett	NR
The Making of the President (1960)	NR
The Making of the President (1964)	NR
Raffi in Concert With the Rise and Shine Band	NR
Robbery Under Arms	NR
Susannah of the Mounties	NR
"We the People..."	NR
'Storybook Cinema"	

Home Box Office

New Movies

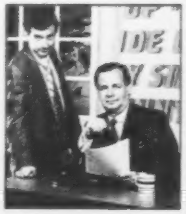
The Believers	R	Orion
The Big Town	R	Columbia
Crazy Moon	PG13	Miramax
Flowers in the Attic*	PG13	New World
Heart*	R	New World
Hyper Sapien: People From Another Star	PG	Video Med.
Man On Fire*	R	Empax
Prince of Darkness	R	Universal
The Principal	R	Tri-Star
Real Men*	PG13	MGM/UA
The Stepfather*	R	New Century
The Women's Club	R	Vestron

Original Programming/Specials

HBO Cinema Workshop #4
HBO Comedy Hour: 2 Titles TBA
HBO Coming Attractions
More of the Best of Not Necessarily the News
OL: The Kids in the Hall
WCB: Julio Cesar Chavez vs. Jose Luis Ramirez
Inside the NFL (#05-08)

Highlights

1st & Ten: The Bulls Mean Business		
Gardens of Stone	R	Tri-Star
HBO Showcase: Lip Service		
Hollywood Shuffle	R	Goldwyn
Innerspace	PG	Warner Bros.
The Princess Bride	PG	20th Century Fox
WCB: Mike Tyson vs. Frank Bruno		
Weeds	R	De Laurentis


Lip Service

The Movie Channel

New Movies

Amazon Women on the Moon	R	Universal
American Dream	NR	Viacom
Belizaire the Cajun	PG	New Century
Big Bad Mama II	R	MGM/UA
Class of Nuke 'em High	R	Troma
Echo Park	R	Atlantic
Fearless Vampire Killers	NR	MGM/UA
Fool for Love	R	Cannon
Go West, Young Girl	NR	Coca Cola
A Great Wall	PG	Orion
Lightning—The White Stallion	PG	Cannon
The Longest Night	NR	Universal
The Men's Club	R	Atlantic
A Night in Casablanca	NR	Castle Hill
A Nightmare on Elm Street 3: Dream Warriors	R	Universal
Number One With a Bullet	R	Cannon
On the Edge	PG13	New Century
Running Wild	G	Viacom
The Savage Innocents	NR	Paramount
Stakeout	R	Touchstone
Three for the Road	PG	Vista
The Toxic Avenger	R	Troa
Trick or Treat	R	DEG
Under Cover	R	Cannon
The Whoopee Boys	R	Paramount

Highlights

The Princess Bride

Adventures in Babysitting	PG-13	Touchstone
Beverly Hills Cop II	R	Paramount
House of Games	R	Orion
Less Than Zero	R	Fox/Lorber
Maid to Order	PG	Vista
No Man's Land	R	Orion
Prince of Darkness	R	Universal
The Princess Bride	PG	20th Century-Fox

Showtime

New Movies

Allan Quatermain and the Lost City of Gold	PG	Cannon
American Ninja 2: The Confrontation	R	Cannon
Black Venus	R	Playboy
Bullies	R	Universal
Dancers	PG13	Cannon
Divorced Kid Blues	NR	J. Phillips
The Golden Child	PG13	Paramount
Half Moon Street	R	RKO/Presser
I Own the Racecourse	NR	Miramax
In Search of a Golden Sky	PG	The Movie Store
Kismet	NR	MGM/UA
Making Mr. Right	PG13	Orion
Manhunter	R	DEG
Moonlight	NR	Universal
She's 19 and Ready	R	Telepictures
Stakeout	R	Touchstone
Street Smart	R	Cannon
Tough Guys Don't Dance	R	Cannon
Wild Thing	PG13	Atlantic

Original Programming/Specials

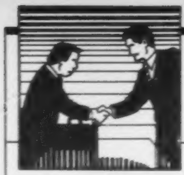
BEVERLY HILLS
Beverly Hills Cop

An All Star Tribute to Woody Guthrie and Leadbelly
Brothers
Celebrity Close-Up
Elton John in Australia
Eric Clapton & Friends
Fleetwood Mac: Tango in the Night
Gallagher: The Maddest
Gleason: He's the Greatest
It's Garry Shandling's Show
Motown on Showtime: Michael Jackson
Paul Simon's Graceland: The African Concert
Picnic
A Rock 'N' Roll Summit: An American-Soviet Music Event
Showtime Championship Boxing
Showtime Coast to Coast
Showtime Comedy Club Network
Super Dave
Suzanne Somers Presents: Showtime's Triple Crown of Comedy
That's What Friends Are For: AIDS Concert '88

Highlights

Adventures in Babysitting	PG-13	Touchstone
Beverly Hills Cop II	R	Paramount
Hail! Hail! Rock 'N' Roll	PG	Universal
Less Than Zero	R	20th Century-Fox
Maid to Order	PG	Vista
The Princess Bride	PG	20th Century-Fox
Prince of Darkness	R	Universal

(**denotes duplicated and exclusive between Showtime and TMC)



BUSINESS & FINANCE

A new glitter in junk

High-yield paper finding eager buyers in tight times

By Virginia Munger Kahn

When Viacom International was preparing to refinance some of its debt this spring, executives at the company thought a $300 million issue of high-yield securities would just about fit the market's and its own needs. By the time the company actually brought the bonds to market in July, however, the offering had been upped to $500 million and, according to Viacom Chairman Sumner Redstone, the company could have sold twice that amount to investors.

Junk bonds are hot right now and few sectors of the market are viewed as favorably as cable issues. Within the past few months junk issues have outperformed all other fixed income securites and, not surprisingly, mutual funds report that money is pouring into their high-yield bond funds. At the end of July, assets in these funds totalled $30.1 billion, up 24 percent over the December 1987 figure, according to the Investment Company Institute. The attraction of high yield issues on the part of individual and institutional investors is the same—the drive for yield and an increasing comfort with the fate of the economy and the junk bonds themselves.

As Peter Hagle, first vice president at Van Kampen Merritt, notes, many other fixed income instruments, from bank CD's to Treasury issues, offer yields of only six to eight percent. As yields have faded in this economy's low inflation environment, junk bonds have become increasingly attractive.

In addition, investors are becoming increasingly comfortable with the securities. "As the market is maturing,

See **Junk**, *page 62*

High Yield Cable Issues
1980-present

Company	Security	Coupon	Maturity	Amount Outstanding ($MM)
Adams-Russell	Sr. Sub. Deferred Notes	16.750%	12/30/97	$ 273
Adelphia Communications	Sr. Sub. Notes	13.000	08/01/96	100
American Cablesystems	Sr. Sub. Notes	11.750	05/01/96	100
Arsenal Acquiring (Viacom International)	Sr. Sub. Deb.	14.375	06/15/02	399
Cablevision Industries Corp.	Sr. Sub. Notes	11.250*	02/15/02	150
Cablevision Systems	Sr. Sub. Deb.	14.375	09/15/97	75
Canadian Cablesystems	Zero Coupon Notes	—	03/01/88	32
	Zero Coupon Notes	—	03/01/89	32
	Sr. Deb.	13.625	03/01/98	75
	Sr. Sub. Deb.	14.250	03/01/98	75
Comcast Corporation	Sr. Sub. Deb.	11.750*	08/01/06	110
Continental Cablevision	Sr. Sub. Notes	13.125*	12/01/95	100
	Sub. Deb.	13.625	12/01/05	100
Falcon Cable Systems	Sub. Deb.	14.375	12/15/00	50
First Carolina Communications	Sub. Deb.	13.500	12/01/96	45
Harte-Hanks Cable	Sr. Zero Coupon Notes	—	07/15/94	15
	Sub. Deb.	13.625	07/15/94	50
Heritage Communications	Notes	13.000	08/15/95	75
	Notes	12.000	07/15/98	75
	Notes	11.500	07/15/97	100
	Sub. Deb.	11.750	07/15/01	100
Jones Intercable	Sub. Deb.	14.500	08/01/94	35
	Sub. Deb.	12.000	08/01/97	40
	Sub. Deb.	9.750	02/01/98	70
	Sub. Deb.	13.000	03/01/00	150
Prime Cable	Sub. Deb.	13.875	11/01/97	40
Scott Cable	Sub. Deb.	13.875	11/01/97	40
SCI Holdings	Zero Coupon Sr. Notes			
	Series 1	—	12/31/90	150
	Series 2	—	12/31/91	150
	Series 3	—	12/31/92	400
	Series 4	—	12/31/93	400
	Series 5	—	12/31/94	400
	Series 6	—	12/31/95	134
	Sr. Sub. Deb.	15.000	12/31/97	600
Star Cablevision Group	Sr. Sub. Deb.	13.500*	03/15/02	50
Storer Communications	Sub. Deb.	10.000	03/15/03	138
Tele-Communications Inc.	Sr. Sub. Deb.	12.375	03/01/03	150
	Sub. Deb.	11.500	01/01/95	125
Turner Broadcasting	Ext'd. Sr. Notes	12.500	03/15/91	600
	Zero Coupon Sr. Notes			
	Series A	—	03/15/89	110
	Series B	—	03/15/90	110
	Series C	—	03/15/91	110
	Series D	—	03/15/92	110
	Sr. Sub. Notes	12.875	12/15/94	200
	Sr. Sub. Deb.	14.000	03/15/93	360
United Cable Television	Sub. Deb.	14.375	05/15/00	100
Viacom International	Sr. Sub. Notes	11.800	07/15/98	300
	Sr. Sub. Ext. Notes	11.500	07/15/91	300
Wometco Cable	Sr. Sub. Notes	13.250	12/15/96	212
	Sub. Deb.	13.500*	12/15/01	100

Source: Morgan Stanley *Included in Index

Junk, *from page 60*

more investors are willing to get involved," observes Hagle, whose company manages $20 billion in assets. Since December 1987—just after the crash—the amount of money in Van Kampen Merritt's high yield bond fund has almost doubled to $315 million from $165 million. "People feel it's safe again," he notes, "and the issuers are back."

> 'As the market is maturing, more investors are willing to get involved. People feel it's safe again, and the issuers are back.'
>
> —Peter Hagle,
> first vice president, Van Kampen Merritt

Aggressive pricing

The attractiveness of the cable industry in particular is evident in the relatively low yields on many of the industry's best issues (yield and price are inversely proportional—the higher the price the lower the yield) and the good deals cable companies can get by going to the junk market to raise capital these days.

In this most recent offering, Viacom was able to issue $300 million of senior subordinated debentures and $200 million in extendible notes at 11.80 and 11.50 percent, respectively. Cable issues generally yield between 11.25 and 15.50 percent, and market watchers and Viacom's investment bankers themselves have characterized the offering as "aggressively" priced.

"I personally didn't think they could price it below 12 percent," says Igor Fuksman, vice president at Merrill Lynch Capital Markets. "This certainly is on the lower end of what you're going to be able to do in this market," concurs Michael Marocco, senior associate at Morgan Stanley & Co.

Many companies with similar ratios of cash flow to interest rate coverage carry rates that are higher than the coupons on the new Viacom issue. For example, while Viacom should generate enough cash flow to cover interest charges about 1.3 times, most cable companies with yields in the high 11 percent range have interest coverages of 1.5 to 2 times. Viacom's coverages are closer to companies that are trading in the 12 percent range.

What allowed Viacom to come to the market at such a good rate were several factors, including good timing. When the issue was sold in late July, the market still was characterized by a limited supply of new issues. Market watchers note that the spread between yields of 10-year Treasury issues and junk bonds narrowed over the summer as Treasuries fell back on rising interest rate news, yet investors kept bidding up the price of the higher yielding, scarcer junk bonds.

However, if Viacom were to go to the market today, say market watchers, it likely would have to offer investors a higher coupon because the number of existing and pending issues has increased and the market has softened somewhat.

Just as important in the pricing of the issue was Viacom's willingness to provide investors with covenants that limit the amount of new debt the company can take on and the amount of debt an acquirer of Viacom could have. Under the terms of the securities, Viacom is not allowed to take on new debt that would result in cash flow coverages falling under 2 to 1 in 1989, 2.25 to 1 the next year, and 2.5 to 1 in 1991 and thereafter.

According to Marocco, those covenants probably shaved 50 to 100 basis points off Viacom's offering costs. Most cable operators simply are unwilling to limit the amount of debt they take on as cash flows increase, he notes, but Redstone clearly is interested in limiting the cost of and amount of any new debt the company takes on.

As one large investor in high-yield issues notes, those covenants were extremely important in making the offer attractive. Bondholders have been burned several times recently when highly-leveraged companies have been taken over or sold off to entities with new and even higher levels of debt.

Investors also say they were attracted to the Viacom offering because of the company's underlying asset values, which offer them protection in case the company runs into operating difficulties. As Richard Lindquist, vice president at T. Rowe Price Associates,

PYMS

PYMS CABLE BROKERAGE, INC.

SOLD

The cable television assets of Central Indiana Communications, Inc. serving New Palestine, Markelville, Spring Lake, Greenfield and Hancock, Shelby and Madison counties, Indiana to Insight Communications Company. This sale represents over 2,700 basic subscribers. Karen Thompson represented the seller in this transaction.

PYMS CABLE BROKERAGE, INC.
Pamela A. Pyms, President
222 Milwaukee Street, Suite 302
Denver, Colorado 80206
303 388 8168
Fax: 388 9057

This notice appears as a matter of record only. August 1988

noted when he saw the first Viacom debt offering in connection with the Redstone takeover last year, "I figured they could sell this tomorrow.... The asset values are pretty staggering."

The bottom line for many investors is that Viacom ranks among the better credits in the cable industry offering investors the opportunity to get a relatively high yield from a company that is not that far off from being investment-grade quality.

Cable's better paper

While at least one market watcher singled out the Viacom issue from the rest of the high-yield market as being particularly attractive, most observers placed Viacom squarely in the middle of the cable group which has continued to find significant favor among investors. Cable issues consistently have traded among the better quality industries at spreads to Treasury issues that were narrower than most other industries.

According to Richard Bilotti, vice president at Prudential-Bache Securities, Single B cable credits generally have traded 350 basis points off Treasury issues. Utility bonds trade at an even narrower discount, but general industrial junk bonds normally trade anywhere from 400 to 500 basis points off 10-year Treasury issues. After the October crash, those bonds were trading from 500 to 600 basis points off Treasuries.

> 'It's still very much a love story between the high-yield investor and the issuers of media paper.'
>
> —Igor Fuksman,
> vice president, Merrill Lynch
> Capital Markets

Lately, the spread for cable issues has narrowed from a high this year of 450 basis points in February to its current, more normal 350 basis-point spread. "The whole market is tighter now," notes Bilotti. Says Merrill's Fuksman, "It's still very much a love story between the high-yield investor and the issuers of media paper."

The numbers tell the story. According to figures compiled by Merrill Lynch, the ML High Yield Media Composite Index indicates that investors in those issues received a total return of 1.32 percent in July. That includes both price appreciation and income from the coupon. In contrast the return provided by the 175 junk bonds in the ML 175 Index totalled 0.76 percent in July. Average yield to maturity on the high yield media composite was 12.65 percent, while the ML 175 index provided an average yield of 13.68 percent.

As Fuksman wrote in a recent report to investors, the total return numbers once again show the media outperforming the overall market. However, Fuksman expressed concern that it is increasingly difficult to find "relative value" among the higher-rated cable bonds. Because it is unlikely that many of these companies will lessen their leverage, Fuksman says there is little upside in these better credits.

"If someone wants to play a defensive game, then you can find relative value in that group," he notes, referring to companies such as Tele-

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July 1988

JAMES CABLE PARTNERS, L.P.

has acquired the assets of
certain limited partnerships affiliated with

PARADIGM COMMUNICATIONS, INC.

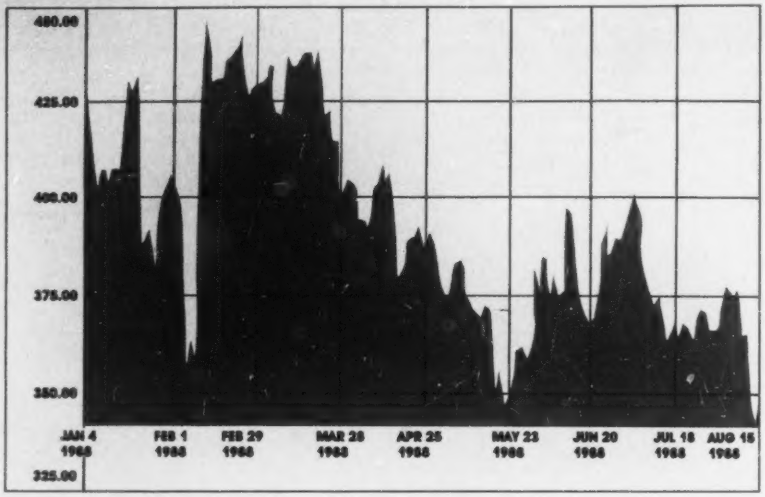
serving 13,822 basic subscribers
in Alabama, Kentucky and Tennessee.

The undersigned initiated this transaction,
served as financial advisor to Paradigm Communications, Inc.
and assisted in the negotiations.

WALLER CAPITAL
CORPORATION

Andrew J. Armstrong, Jr.
Senior Vice President

30 Rockefeller Plaza
Suite 4350
New York, NY 10112
(212) 632-3600



Source: Morgan Stanley

Date	US Govt. Securities 10-year Issue Yield	Cable Index Yield	Spread
Jan. 4, 1988	6.800	13.094	429
Feb. 1, 1988	8.263	12.270	401
Feb. 29, 1988	8.161	12.461	430
Mar. 28, 1988	8.623	12.621	400
Apr. 25, 1988	8.782	12.656	387
May 23, 1988	9.237	12.749	351
June 20, 1988	9.022	12.695	367
July 18, 1988	9.148	12.750	360
Aug. 15, 1988	9.367	12.839	347

Communications Inc., Comcast Corp. and Continental Cablevision. But as a whole, the cable group is "not that cheap" compared to other issues in the market, he and other market watchers note.

That acknowledgment led several major money managers not to buy the Viacom issue at all or to sell it shortly after buying it. Rod Morgan, managing director at Aetna Bond Investors, which manages $150 million, says he did not buy any of the Viacom issues because they were "real rich."

In fact, the issue was so aggressively priced and the market itself has pulled back enough that the bonds are now trading down from where they were when issued. As of the end of August, the bonds were being offered at 98 1/2 to yield 12.05 percent. "This is not the only issue that's off," notes T. Rowe Price's Lindquist. "Viacom hit the top of the market," he says.

Kevin Matthews, portfolio manager for Van Kampen Merritt's High Yield Fund, says he traded his Viacom bonds for the bonds issued by Arsenal Holdings last year when Redstone initially acquired the company. Even though the new Viacom issues have higher yields now, the yields on the Arsenal Holdings issues "are better," he says.

But at least one money manager says he doesn't care where the Viacom issue is trading. What is important is the 11 percent yield for a company that is considered a fairly good credit. "Eleven point eight is a nice yield to have, period," says Van Kampen Merritt's Hagle.

As long as spreads between cable junk bonds and Treasury issues remain narrow, investment bankers and market watchers say the opportunity is there for new issuers to raise capital. Moreover, as interest rates rise in the general market, junk bonds become relatively less expensive. Already, the narrow spreads in the larger market have heralded an upcoming period of intense new-issue activity. According to published sources, more than $7 billion in new issues are currently pending.

ML Media readies offering

Within the cable industry, Merrill Lynch expects to bring a new issue to market in October for ML Media Opportunity Partners, a joint venture formed by the huge investment company with Martin Pompadur and Elton Rule. The new issue is expected to raise $75 million towards the $198 million

July 1988
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ACQUIRED

AMERICAN TV & COMMUNICATIONS

has acquired three systems serving:

Lake County, Florida

Gerry Zimmerman Represented The Sellers

CF$
COMMUNICATIONS FINANCIAL SERVICES
4980 E. Quincy Avenue
Englewood, Colorado 80110
(303) 721-8818

Financial Services To The Cable Communications Industry

purchase of the Prime Cable system in Prince George's County, Md., by ML Media. The offering also includes $3.5 million in a new Class B stock issue.

The Maryland Cable Corp. zero coupon issue will be non-interest bearing until November 1993 and will pay its first dividend in May 1994. Like the Viacom bond, the ML issue includes covenants restricting the addition of debt and the acquisition of the company by another highly leveraged entity.

Market analysts expect the prices of most junk bonds to be under pressure in coming months as several major acquisitions, such as the Federated Department Store deal, get funded through the issuance of high-yield securities. Because they will be competing against a larger universe, the issuers will have to offer investors higher coupons than what was offered several months ago. As a result, those bonds already in the market may face price pressure, notes Morgan Stanley's Marocco.

That possibility is viewed positively by investment advisers who say they would like to take advantage of whatever price opportunities might open in coming months. Moreover, investment advisers predict that junk bonds in general and cable issues in particular will continue to be in strong demand in the future.

"Cable is seen as a core holding for many junk bond investors," says Lindquist. Many investors see it as "a relatively safe play" in what is otherwise a volatile market, says the money manager.

As far as the issuers are concerned, much will depend on the level of merger and acquisition activity and need by the industry for additional capital. Within the cable business, the pace of consolidation seems only to be quickening. Richard Bilotti contends that it is rare for an industry that is undergoing consolidation to get as good rates as cable. "If the industry keeps up the acquisition pace, you'll see more cable paper in the next year," he says.

As far as most investors are concerned, that's good news. As far as the industry is concerned, the window of opportunity is open. ■

> 'Cable is seen as a core holding for many junk bond investors.' Many see it as 'a relatively safe play' in what is otherwise a volatile market.
>
> —Richard Lindquist,
> vice president, T. Rowe Price Associates

Lifetime begins originating from Astoria

NEW YORK—Lifetime has taken the first step in establishing its new production home at Astoria Studios by originating signal transmissions from there.

That function, along with all playback operations, used to eminate from Group W Satellite Communications' facility in Stamford, Conn. Technical operations switched to Astoria Aug. 22 and have been functioning there since.

Post-production suites for Lifetime will start operating later this month, with the network's corporate staff due to occupy a four-story building at the Astoria complex by late October. Two dedicated stages will be ready for programs next January, one month before Lifetime's fifth anniversary celebration.

GI adds customer service centers

SAN DIEGO—General Instrument's Video-Cipher division will add three more customer service/repair centers over the next few months.

The centers will be located in Corona, Calif., Albuquerque, N.M., and Arlington, Tex. At the moment, GI has 23 such centers operating.

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Acquired
By

UNITED CABLE
TELEVISION CORPORATION

Cable Television System Serving 5300 Subscribers
in Davis and Portions of Yolo County, California

The Buyer was represented by the undersigned

CHARLES GREENE
ASSOCIATES

Cable Television Brokerage

1117 Perimeter Center West
Suite E-319 Atlanta, Georgia 30338
(404) 668-9577

CABLE STATS

Subscriber Count

Satellite national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	358	6,600,000
Alternate View Network	250	4,000,000
Arts & Entertainment (A&E)	2,600	34,200,000
Black Entertainment Television	1,200	20,000,000
Cable News Network	11,860	46,238,000
Cable TV and Appliance Network	N.A.	1,500,000
Cable Value Network	1,850	20,000,000
CBN Family Channel	8,215	41,642,000
C-SPAN	3,014	39,200,000
C-SPAN II	539	15,400,000
Country Music Television	862	8,000,000
The Discovery Channel	3,567	33,800,000
Eco	300	1,000,000
ESPN	9,500	47,800,000
Eternal Word Television Network	461	10,100,000
Family Guide Network	N.A.	N.A.
FamilyNet	47	1,200,000
The Fashion Channel	600	10,100,000
Financial News Network	3,500	30,500,000
FNN/Score	1,150	19,800,000
FNN/TelShop	950	11,000,000
Headline News	3,228	32,693,000
Home Shopping Network	1,342	15,700,000
Home Shopping Network II	302	5,500,000
The Inspirational Network	950	10,500,000
International Television Network	56	7,868,900
The Learning Channel	930	12,800,000
Lifetime	3,600	40,800,000
Mind Extension University	84	1,700,000
Movietime	200	7,000,000
MTV	5,010	42,700,000
The Nashville Network	7,335	41,051,392
National Jewish Television	295	6,800,000
Network 1 USOA	N.A.	N.A.
Nick At Nite	3,285	36,400,000
Nickelodeon	6,195	41,200,000
The Nostalgia Channel	290	3,500,000
Prevue Guide	175	5,000,000
QVC Network	931	12,600,000
RFD TV	N.A.	N.A.
Shop Television Network	119	4,400,000
Silent Network	380	10,300,000
Superstation TBS	8,171	45,718,000
Tempo Television	700	8,000,000
The Travel Channel	300	11,000,000
Trinity Broadcasting Network	650	8,000,000
Univision	340	N.A.
USA Network	10,100	45,200,000
VH-1	2,140	27,900,000
The Weather Channel	3,240	36,100,000
WGN-TV	11,000	24,900,000
WWOR-TV	2,499	12,302,073
WPIX-TV	858	9,678,474

Pay services

Pay services	Affiliates	Subscribers
American Exxxtasy	35	27,000
American Movie Classics	1,500	12,000,000
Bravo	350	1,300,000
Cinemax	3,650	5,100,000
The Disney Channel	5,000	3,810,000
Festival	100	42,500
Home Box Office	7,400	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	550	490,000
Showtime	6,000	6,300,000

Audio services

Audio services	Affiliates	Subscribers
Cable Radio Network	49	1,556,736
Galatic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,578,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services

Text services	Affiliates	Subscribers
AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,600
Cable SportsTracker	41	875,000
DBC/MarketWatch	462	9,200,000
EPG	280	6,800,000
EPG Jr.	330	300,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000
X*Press Executive	450	5,001,829
X*Press X*Change	450	4,000,000

Non satellite-fed national services

Basic services	Affiliates	Subscribers
Cable Video Entertainment	190	18,000,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,000
Telaction	1	4,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000
Video Jukebox Network	9	268,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	177,000
Bay Area Religious Channel	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,000,000
KTVT	415	3,588,270
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,500,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	532,000
Prime Cable	9	381,938
Prime Ticket	55	2,300,000
SportsVision	50	1,507,270
Sunshine Network	112	1,700,000

Pay services

Pay services	Affiliates	Subscribers
Home Sports Entertainment	196	684,740
Home Team Sports	114	1,000,000
New England Sports Network	160	262,138
Prism	87	427,000
Pro-Am Sports	140	301,000
SportsChannel (Florida)	10	470,000
SportsChannel (New England)	147	942,943
SportsChannel (New York)	94	1,150,000
Z Channel	65	110,010

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.
N/A denotes information not available.

Announced services

Satellite-fed services	Expected launch
American Man's Network	2/89
ATV: Advertising Television	1/89
CD/8: The Digital Music Network	9/88
The Computer Channel	1/89
Digital Cable Radio	1st Quarter 1989
Digital Radio Labs	1st Quarter 1989
Interactive Game Network	3rd Quarter 1988
Kids Information Network	4th Quarter 1988
The Landscape Channel	4th Quarter 1988
Laugh TV	1st Quarter 1989
Main Street	2nd Quarter 1989
Mizlou Cable Sports Network	4/89
Spanish TV News Network	11/88
Talk Television	1st Quarter 1989
TNT	10/88
Vision Interfaith Satellite Network	9/88
Wingtips	4th Quarter 1989

CU722-2
9/29/88

SEPTEMBER 26, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

ANIXTER UNVEILS FIBER SYSTEM

HDTV TRAPPED IN TRADE DISPUTE

ANALYZING EQUIPMENT SUPPLIERS

BIG FLAP OVER CARRIAGE FEES

BATTING .980 ON MUST-CARRY

CONSTRUCTION BOOM CONTINUES: $1.5 BILLION OR MORE SEEN IN '89

CableVision

FRONT LINE

Batting .980 12
NCTA puts out its own must-carry survey claiming that operators are continuing to carry 98 percent of stations that would have qualified for carriage under the last set of compromise rules. The study also downplays channel shifts.

Fritts frets over telco-TV 12
The NAB suddenly jumps into the fray over telco entry into video services—on cable's side of the argument.

Anixter shows AM fiber 16
Anixter unveils an AM fiber trunking system, developed in conjunction with AT&T, capable of transmitting 42 channels over 10 kilometers. Laser Link, as it's called, will be tested at 40 sites as early as October.

Hockey plan on thin ice 18
Other regional sports networks are turning thumbs down on SportsChannel America's new NHL package, at least for the first year.

The Eastern Show 20
An emphasis on technology, from fiber optics to high-definition TV to telco entry into the business, dominated the Eastern Show in Atlanta.

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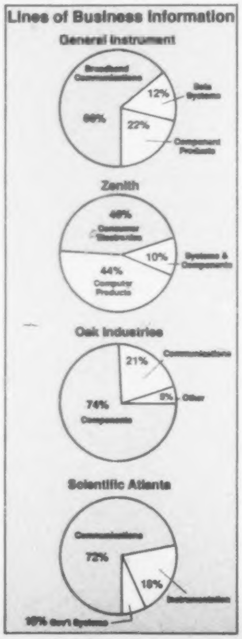
PROGRAMMING

Grow, grow, grow 24
Few gardens are as fertile as cable's basic programming patch, where all but two of the 39 networks grew substantially over the last two years—some like Jack's beanstalk. The question is, why?

Flap over fees 24
You asked for it, you got it in better programming on the basics. But now operators are being handed the bill, and many are balking. USA is in the center of the storm, but with other rate cards coming out the controversy could spread.

FORUM

Profiting from waste 54
With the continuing surge in system construction, rebuilds and upgrades, there's a lot of left-over material out there. And it shouldn't go to waste, writes resource recovery expert Tom Wood.

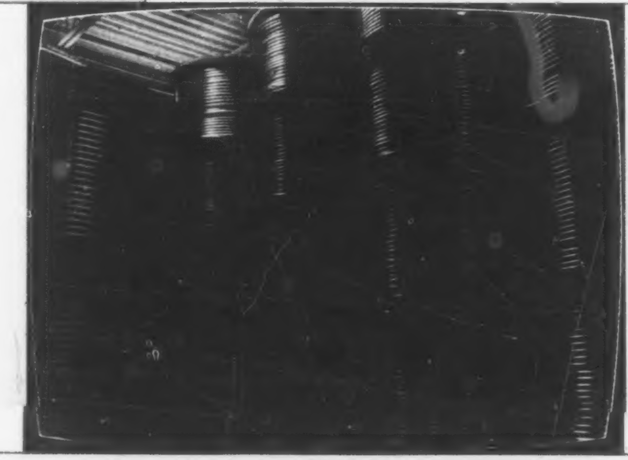


LAW AND REGULATION

HDTV as trade policy 56
Everyone knew that it would be hard enough incorporating the technology of high-definition television, but now Congress has seized the issue as the centerpiece of a foreign-trade fight. Is this just more Japan-bashing?

BUSINESS AND FINANCE

Analyzing equipment vendors 58
After more than three years of losses and restructuring, cable's primary equipment suppliers are racking up record profits. But given the uncertain direction of technology, can they keep up their strong performances?



COVER STORY

Booming into '89 38
The cable construction industry, which recovered its feet in 1987's "Year of the Rebuild," will meet or exceed our earlier projection of $1.4 billion in activity for 1988. And the momentum likely will continue into 1989 and beyond.

BETWEEN THE LINES

Running the numbers on the must-carry survey

The Federal Communications Commission has transmitted to Congress a statistical picture of what the post-*Quincy* world looks like, and the image it conveys is a hall of mirrors in which most interested parties claim the information supports their sharply contrasting views: broadcasters say the data on the number of stations dropped or repositioned is evidence of a need for new must-carry rules, while the cable industry claims the numbers support its contention that little dislocation has occurred.

It cannot be denied that hundreds of local television stations have been dropped or repositioned by thousands of cable systems. But on balance there seems to be some merit in the argument by the National Cable Television Association that this has occurred for understandable reasons (see charts, p. 57).

For example, the FCC data indicate that out of the 1,820 instances of stations being dropped or denied carriage, 1,152 or 63 percent were stations located more than 35 miles from the system headend. Some 661 of the instances, or 36 percent, were stations located more than 51 miles from the headend. Now, the legal definition of must-carry has changed somewhat over the years, but in our understanding, being within 35 miles of the headend always has been a prime criteria. If a station were more than 35 miles away, it had to gain must-carry status through the significantly viewed test, be located in a hyphenated market or have retained a sharp Washington lawyer.

Further, the FCC data also support the contention that a number of the drops were the result of channel capacity problems, especially in systems with fewer than 5,000 subscribers. Of the 869 systems that reported dropping or denying carriage to one or more stations, only eight were systems with 55 or more channels. On the other hand, of the 52 systems that reported dropping four stations, 77 percent have 35 or fewer available channels (freeing up 11 percent of total capacity); and of the 61 systems that reported dropping five or more stations, 72 percent have 35 or fewer available channels (freeing up 14 percent of capacity).

It also seems safe to assume that few systems dropped or denied carriage to a broadcasting entity not already represented on the channel lineup, i.e., a commercial broadcast network or PBS. Going back to the 1,820 total incidents of drops and carriage denials reported by 869 systems, 595 were network affiliates and 463 were educational, or 58 percent of the total. Bolstering the assumption that most of these were duplicative stations is the fact that 511 of the 595 network affiliates dropped or denied carriage, or 86 percent, were more than 35 miles from the headend; among the 463 educational stations dropped or denied carriage, 313, or 68 percent, were more than 35 miles away.

Now the NCTA has come out with its own must-carry survey (page 12), which it says shows that "virtually all cable operators continue to carry all local stations, even though they are not legally required to do so." The association survey says cable systems continued to carry 98 percent of all stations that would have qualified for carriage under the compromise set of rules thrown out last December. Further, the survey says that 91 percent of cable systems carrying qualified stations have not shifted them to other channels; 80 percent of those that were shifted were moved to their off-air slot or a lower number.

It probably is true that must-carry, like death and taxes, always will be with the cable industry. But it is refreshing to see that the leadership of the National Association of Broadcasters is focusing on an issue of more strategic importance to the future of local stations: whether or not the telcos should be allowed into the video field. After all, Eddie Fritts knows that Jim Mooney has shown a willingness to compromise on carriage questions. He understandably has his doubts whether a Lee Cox will.

—Steve Tuttle
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September 26, 1988
Volume 12, Number 6

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 S. Cherry Street, Suite 400, Denver, Colorado 80222 -or- P.O. Box 5208-TA, Denver, CO 80217. August 15, 1988, Volume 12, Number 50. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 S. Cherry St., Suite 400, Denver, Colorado 80222.

ABP BPA

PROGRAMMING

It's grow, grow, grow for basics...

By Wayne Friedman

Basic programming services are like incumbent politicians. Once a channel builds up name recognition among constituents, the service creates its own momentum and aura, making it tough to unseat. "Operators know once you are on, it's very difficult to take you off," says John Hendricks, chairman and CEO of The Discovery Channel.

This is clear from surveying the growth of basic services over the last two years. Among 39 basic services, only two—Tempo Television and The Inspirational Network (formerly PTL)—have lost subs.

The secrets of success are not so secret: find a programming niche and make sure you're the first in the marketplace. Those factors, plus financial staying power, are the building blocks for the double-digit growth of the likes of ESPN, CNN, USA, TBS, MTV, and TNN. For newer channels, MSO equity is an added factor because channel capacity isn't as plentiful as it once was. Rounding out the formula for growth are good affiliate relations personnel, reasonable or no license fees, special advertising incentives and promotion strength.

The Discovery Channel has been the most successful in gaining subs over the past two years for these reasons. On *CableVision*'s chart of program networks (page 30), TDC rocketed by more than 25 million subscribers from September 1986 to September 1988, making it the service with the greatest rate of growth at 75 percent.

While some say the reason for TDC's meteoric rise is MSO equity investments, Hendricks says it really has more to do with being a "full-niche service." That means not existing as a subset of a particular category. TDC is not just science, he says, but history documentaries and nature programming.

Go broader

Some interpret this "full niche" to mean a broader range of programming. Jerry Maglio, United Artists executive vice president of marketing and programming, concurs that the broader programmed services generally grow faster than the narrowcast networks. "That's always been the case," he says. But he adds there is a danger. "We must avoid straight popularity contests. If we look only to broad-based networks, we'd be broadcasters." And that is not necessarily cable's mission, he says.

While some of the broader and more mature services have been growing anywhere in the 10 million to 15 million sub range over this two-year time period, other lesser-penetrated or narrowly perceived networks also have realized substantial growth. BET, The Learning Channel, C-SPAN II, The Nostalgia Channel and The Silent Network have made respectable gains in their subscribers counts, anywhere from three million to seven million subs. Robert Shuman, president and COO of The Learning Channel, realizes

See **Growth**, *page 28*

...while a flap arises over fees

By Richard Tedesco

USA Network is upping the ante on affiliate fees as part of the effort to bolster its program lineup, but major MSOs are balking at this latest pitch in the industry's punch-through programming era.

Other basic networks, including Financial News Network and Black Entertainment Television, also are contemplating major rate structure revisions. And the resulting fallout could strain relationships that seemed to be sweetening between MSOs and program suppliers in the wake of ESPN's landmark NFL deal.

Basic services pursuing rate hike strategies could fall off the system maps of some operators as MSOs make hard-nosed business decisions about relative programing values.

"People are going to become much more conscious to evaluate the performance of services," says Robert Stengel, senior vice president of programming for Continental Cablevision. "Some services are going to find they won't measure up. Something's got to give."

Jones Intercable and Viacom are among several MSOs currently considering the possibility of dumping USA, according to industry sources, over its plans to impose a five cent rate hike in January 1989, followed by a similar hike in 1990.

Jim Honiotes, director of programing for Jones, declined comment on the situation beyond saying, "We're still discussing the entire issue."

The issue, in USA's case, centers on its recent acquisitions of *Miami Vice*, *Murder, She Wrote* and a deal for 24 made-for-TV movies to the tune of $250 million over the next two years.

MSO reaction to the USA rate move is not a reversal of field for the industry, according to Edward Bennett, Viacom executive vice president. "We're saying we want improved programming and we're willing to pay for it. But it's got to be reasonable," he says.

Operators are questioning the logic of supporting MCA Inc. and Paramount Pictures, USA's parent companies, with increased affiliate fees for programming deals USA made with those companies, according to industry executives.

Industry sources are saying NBC's new CNBC service and Turner Network Television could become replacements for USA in some MSOs' channel lineups.

USA's proposed increases would reportedly double or triple its license fees to some affiliates. The top of its rate card currently is 13 cents per subscriber per month.

"It's primarily based on the commitment to original programming we've made over the next two years," says

See **Fees**, *page 32*

Growth, *from page 24*

that TLC might never be the size of ESPN, but it doesn't mean it won't continue growing. It added about six million subscribers over the last two years. He says the network's next goal is to boost its current 12.8 million sub level to 20 million by October '89.

Elsewhere in basic, religious channels, shopping networks and other specialty services also have witnessed sub gains from one to three million over the period. Of the only two to lose ground, The Inspirational Channel's woes are linked to the well publicized travails of its leader, Jim Bakker. And Tempo Television's loss of subs, says Larry Gerbrandt, senior analyst at Paul Kagan Associates, is mainly due to the inconsistancies of determining full-time from part-time subscribers.

Gaining critical mass

Because the basic services generally have been growing subs at a rate of five to six percent a year, some executives say that, for the most part, they can't help but grow. "Why would anybody lose (subscribers)?" asks Lloyd Werner, senior vice president of sales and marketing for Group W Satellite Communications, which markets the The Nashville Network and Baltimore-Washington regional net Home Team Sports. "You'd have to work at it to lose (subs)." Executives term this "internal" or "natural" growth that occurs when new subscribers are added to existing systems. To a lesser extent it also occurs through rebuilds, newbuilds or a dissolving of tiers.

To latch on to this easy growth, where services are pulled along almost without effort, many need first to obtain a critical mass of subscribers. Once this occurs, and they maintain quality programming and good affiliate relations, the next stage is somewhat easier. "Once you get past 10 million homes, a network creates its own momentum," says TLC's Shuman. "It has product recognition."

That critical mass is, by no coincidence, linked to ratings. A.C. Nielsen had deemed it worthy to measure a cable network when it reaches around 12 million homes, about 15 percent of U.S. households. With the new people meter sample that threshold number has dropped to around four million. When a network begins to receive ratings numbers, advertisers are more likely to buy time. This, says Kagan's Gerbrandt, in turn helps convince operators of the channels' worth in the marketplace.

Eyeing the MSO investor

The big question to growth is MSO ownership. Is it always needed? Executives say these days it surely helps. But first you need an idea, an untouched niche of programming. Second, the idea needs to be sold to operators. When operators are hooked, they want to participate in any upside financial gains. Many services, including Discovery, Movietime, CVN, QVC, AMC and the new TNT are finding happiness through increased carriage by operator-owners. MSOs so aided the growth of shopping channels that not one but many have thrived. CVN bolted out of the gates by adding 19.6 million subscribers, making it the second best performer behind TDC over the last two years. QVC, another MSO investment, has gained 12.6 million subs over the same period.

For Discovery, Hendricks agrees that MSO investment provided some punch but he says that's not the whole story. He's quick to point out that out of the network's 34 million subscribers, only 7.5 million come from its MSO partners, TCI, United, Newhouse and Cox. A programming executive says, however, that having major MSOs on board gives a channel a stamp of approval for the rest of the industry. "It's still the good ol' boy network," he says, that pulls in other systems.

Other experts also point out that Discovery's timing was on the money. It launched just before the industry was rate deregulated and systems were looking to add services to justify monthly price hikes. Also, says Maglio, TDC offered systems a percentage of its national advertising revenues as an incentive to sign on.

Deregulation also helped other networks. American Movie Classics, which has been making the move from a pay to a basic or a bonus to basic, is the third biggest gainer, adding 19 million subscribers in the two-year period. Shopping channels also took advantage of the need by operators to add new product.

But the dominant factor in creating a successful cable network is being there first. Hendricks points out that TDC was the first fully documentary/science/nature channel in the marketplace. Other examples: CNN/Headline News snuffing out Satellite News Channel; MTV domination over Turner's Cable Music Channel and the now-extinct (on cable) Hit Video USA; The Nashville Network's tremendous lead over Country Music Television, American Movie Classics advantage over The Nostalgia Channel, and Movietime's entertainment/promotion/news concept over a handful of other competitors.

Many point to this factor alone in saying that CNBC, despite its NBC backing, could encounter tough going in its fight with Financial News Network.

Only the shopping channels seem the exception to this rule. CVN has blown by Home Shopping Network I in terms of subs, because, says one observer, of HSN initial intransigence with cable operators, stemming from when it bought broadcast stations, viewed as cable competitors.

Squeezing in more niches

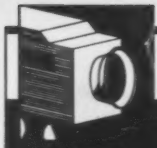
As difficult as it may appear to start new channels, there always seems to be room for good ideas. "How did all those shopping channels get started if there were channel capacity (problems)?" asks Group W's Werner. The same could be said of TNT, experts surmize, and VISN, a interdenominational religious channel expected to launch with a healthy seven million subs and 18 million in operator commitments.

Kagan's Gerbrandt says he has seen numerous ideas by entrepreneurs for starting new channels. He says most all are targeted to certain demographics, including ones focused on comedy, how-to, talk, international, game show and magazine programming.

All roads point higher for those networks above the critical mass of 10 to 15 million subs. Estimates of five to six percent annual growth in subscribers through the 1990s appear to be conservative by most estimates.

And more networks probably are on the way in a cycle running in 12- to 18-month periods. Two years ago the shopping networks had their go; last year it was Discovery's and AMC's turn; this year, first Movietime, then VISN and finally TNT seem to be making a run. Next year could be CNBC's day in the sun, or some other idea not yet born.

No matter. But for any network starting out there is this one truism: "It's not going to fail if TCI is behind it." TCI doesn't have ownership in CNBC, but it has recommended to its affiliated systems that CNBC might be the way to go. As the defacto industry leader, TCI's adoption of this new variation of the MSO-programmer dance will be watched carefully by many programming entrepreneurs. ■



National Programming Service Growth

1986-1988

Basic Network	Affiliates 9/86	Affiliates 9/88	Subscribers 9/86	Subscribers 9/88	Affiliate Change/%	Subscriber Change/%
ACTS Satellite	225	358	4,000,000	6,600,000	133/37	2,600,000/39
Arts & Entertainment	2,200	2,600	19,700,000	34,200,000	400/15	14,500,000/42
BET	590	1,200	13,015,183	20,000,000	610/50	6,984,817/34
CNN	9,386	11,860	33,100,000	46,238,000	2,474/21	13,138,000/28
CVN	20	1,850	200,000	20,000,000	1,830/98	19,600,000/98
CBN Family Channel	7,188	8,215	31,000,000	41,642,000	1,027/12	10,642,000/25
C-SPAN	2,250	3,014	25,250,000	39,200,000	464/15	13,950,000/35
C-SPAN II	264	539	7,500,000	15,400,000	275/51	7,900,000/51
Country Music TV	425	862	6,200,000	8,000,000	437/51	1,800,000/22
Discovery Channel	952	3,567	8,580,299	33,800,000	2,615/73	25,219,701/75
Eco/Galavision	234	300	183,000	1,000,000	66/22	817,000/81
ESPN	13,878	19,300	36,900,000	47,800,000	5,247/28	10,900,000/23
Eternal Word TV	314	461	4,800,000	10,100,000	147/32	5,300,000/52
FamilyNet/LBN	90	47	1,300,000	1,200,000	-43/91	-100,000/ 8
Fashion Channel	—	600	—	10,100,000	600/—	10,100,000/—
FNN	1,360	3,500	22,300,000	30,500,000	2,140/61	8,200,000/27
Headline News	3,157	3,228	18,039,000	32,693,000	71/ 2	14,654,000/45
HSN I	324	1,342	8,000,000	15,700,000	1,108/76	7,700,000/49
Inspirational Network	1,300	850	13,000,000	10,500,000	-350/36	-2,500,000/23
Learning Channel	760	930	6,841,455	12,800,000	170/18	5,958,545/46
Lifetime	2,987	3,600	25,800,000	40,800,000	613/17	15,000,000/37
Movietime	—	200	—	7,000,000	200/—	7,000,000/—
MTV	4,269	5,010	30,700,000	42,700,000	741/15	12,000,000/28
Nashville Network	3,770	7,335	26,600,000	41,051,392	3,565/49	14,451,392/35
Nickelodeon	4,501	6,195	29,000,000	41,200,000	1,694/27	12,200,000/30
Nostalgia Channel	125	290	350,000	3,500,000	165/57	3,150,000/90
Prevue Guide	—	175	—	5,000,000	175/—	5,000,000/—
QVC Network	—	931	—	12,600,000	931/—	12,600,000/—
Shop TV Network	—	119	6,800,000	4,400,000	110/—	4,400,000/—
Silent Network	206	380	36,078,000	10,300,000	174/45	3,500,000/34
Superstation TBS	10,790	9,214	12,000,000	45,629,000	-1,576/17	9,551,000/21
Tempo TV	640	700	—	8,000,000	60/ 8	4,000,000/50
Travel Channel	—	300		11,000,000	300/—	11,000,000/—
Trinity	433	650	6,210,000	8,000,000	217/33	1,790,000/22
USA Network	6,500	10,100	33,000,000	45,200,000	3,600/36	12,200,000/27
VH-1	1,189	2,140	14,100,000	27,900,000	951/44	13,800,000/49
Weather Channel	2,100	3,240	20,500,000	36,100,000	1,140/35	15,600,000/43
WGN	8,325	11,000	20,900,000	24,900,000	2,675/24	4,000,000/16
WWOR	1,877	2,499	8,430,680	12,302,073	622/25	3,871,393/31
Pay Network						
AMC*	258	1,500	710,000	20,000,000	1,242/82	19,290,000/96
Bravo*	240	350	360,000	1,300,000	110/31	940,000/72
Cinemax	3,300	3,650	3,700,000	5,100,000	350/ 9	1,400,000/27
Disney Channel	2,958	5,000	2,500,000	3,810,000	2,045/40	1,260,000/33
HBO	6,900	7,400	14,600,000	15,900,000	500/ 6	1,300,000/ 8
The Movie Channel	3,250	3.250	3,250,000	2,600,000	0/ 0	-650,000/25
Playboy Channel	580	550	732,000	480,000	-30/ 5	-242,000/49
Showtime	3,200	6,000	5,400,000	6,300,000	2,800/46	900,000/14

Figures taken from CV subscriber counts (9/29/86 and 9/12/88 issues)

*Offered as a bonus-to-basic channel

Fees, *from page 24*

Kay Koplovitz, USA president and chief executive officer, defending the proposed increase.

But what appears to be a modest proposal from USA could prompt volatile reactions from operators paying renewed attention to their bottom lines.

"Just because the NFL's worth an extra dime doesn't mean an acquisition another supplier makes is worth a nickel," Continental's Stengel observes.

But in the case of USA, Koplovitz argues that five cents is a "very justifiable increase" in light of the network's projected expenditures of $250 million over the next two years on a series of 24 made-for-TV movies, along with the off-network series *Murder, She Wrote* and *Miami Vice*.

"I really think that USA is the perfect example of a network that has put its money on the screen," Koplovitz declares, and says she's getting positive feedback from most operators about the network's programing initiatives.

ESPN set the precedent for MSO support of "punch-through programming"—the popular catch-phrase for broadcast network-quality fare—with its successful campaign for a 9.5-cent per-subscriber increment from operators for its $153 million NFL pact.

Turner Broadcasting, one of the programming companies in which MSOs now hold a dominant interest, followed that lead with its request for a $1 per-sub increment for its production of the 1990 Goodwill Games.

Some services feel that it's time for MSOs to give them their share of additional support. Financial News Network currently is standardizing its rate card, attempting to require all affiliates to pay a 3.5 cent rate per subscriber, up from a previous average of 1.5 cents.

"FNN has been ad-supported for the past seven years. We feel now that operators should contribute to that," says Gil Faccio, FNN senior vice president of affiliate relations.

He contends that FNN actually is lowering its rate card and simply dealing with all affiliates equally without granting volume discounts. "We weren't really enforcing our rate card. We want to do that now," he explains.

BET anticipates widespread acceptance of its proposed rate hike when official notice goes out this week because it's a "reasonable" increase tied to new programming and marketing support, according to Robert Johnson, BET president.

He points out that the new five cent rate—its first rate increase in five years over an existing average rate of 2.5 cents—could bring BET big-name black talent on a new talk show, game shows and a black soap opera planned for the fall. "That's the kind of punch that we're looking for, the power to promote big-name stars," says Johnson, who aims to put BET among the top five basic cable services.

But other programmers don't buy the logic that operators should be obliged to back big programming plays. "We as cable programmers can't consistently turn around—and bang the operators for more money," says Lloyd Werner, senior vice president of sales and marketing for The Nashville Network.

Lifetime is one service looking to hold the line on affiliate fees despite recent initiatives to schedule top-drawer shows. While it plans to re-run *The Days and Nights of Molly Dodd* and create original episodes of the series, Lifetime will try to stick to its existing rate structure, according to Seymour Kaplan, Lifetime vice president of affiliate relations.

"The costs are going up, but we want the major play of our revenue stream to come from Madison Avenue," Kaplan says, explaining that the network's current revenue split is 75/25 between advertising and affiliate fees.

Lifetime is maintaining a "predictable" growth cycle, according to Kaplan, which should enable it to stick to projected rate increases of 11 cents per subscriber per month in 1989 and 12 cents in 1990, from the current level of 10 cents.

But he made it clear that competitive pressure is on all basic cable networks to upgrade programming in what has become an expensive game. "To play in today's game is a major play. To be competitive in this environment, we have to step up to the plate and go after quality programming," he says.

Sheer subscriber growth, from 25 million two years ago to approximately 40 million today, along with an increase in ad rates and strong sales of 60 percent to 70 percent in this year's upfront market, are easing the financial pressure on Lifetime.

The perception in the industry is

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PROGRAMMING/Pay-Per-View Supply Chart

October — Source

Bestseller Orion
MPAA Rating: R Running Time: 92 mins.
Cast: Brian Dennehy, James Woods

Broadcast News 20th Century-Fox
MPAA Rating: R Running Time: 113 mins.
Cast: Albert Brooks, William Hurt, Holly Hunter

Frantic Warner Bros.
MPAA Rating: R Running Time: 120 mins.
Cast: Harrison Ford

Ghoulies 2 Vestron
MPAA Rating: PG Running Time: *
Cast: Robin Williams

The House On Carroll Street Universal
MPAA Rating: PG Running Time: 100 mins.
Cast: Jeff Daniels, Kelly McGillis

Johnny Be Good 20th Century-Fox
MPAA Rating: R Running Time: 86 mins.
Cast: Anthony Michael Hall

Lady In White New Century/Vista
MPAA Rating: PG-13 Running Time: *

Little Nikita Columbia
MPAA Rating: PG Running Time: *
Cast: River Phoenix, Sidney Poitier

Masquerade MGM/UA
MPAA Rating: R Running Time: 91 mins.
Cast: Rob Lowe

Moonstruck MGM/UA
MPAA Rating: PG Running Time: 101 mins.
Cast: Cher, Olympia Dukakis, Vincent Gardenia

Pinocchio & The Emperor Of The Night New World
MPAA Rating: G Running Time: *
Cast: Animated Film

Repentance Cannon
MPAA Rating: R Running Time: *

Shakedown Universal
MPAA Rating: R Running Time: *

She's Having A Baby Paramount
MPAA Rating: PG Running Time: 106 mins.
Cast: Kevin Bacon, Elizabeth McGovern, Alec Baldwin

The Last Emperor Columbia
MPAA Rating: PG-13 Running Time: *
Cast: John Lone, Peter O'Toole

The Serpent & The Rainbow Universal
MPAA Rating: R Running Time: *

The Wrong Guys HBO Enterprises
MPAA Rating: PG Running Time: *
Cast: Franklin Ajaye, Tim Thomerson

November — Source

Above The Law Warner Bros.
MPAA Rating: R Running Time: *
Cast: Steven Segal

A New Life Paramount
MPAA Rating: PG-13 Running Time: 106 mins.
Cast: Alan Alda, Veronica Hamel, Hal Linden, Ann Margaret

Beetlejuice Warner Bros.
MPAA Rating: PG Running Time: 90 mins.
Cast: Geena Davis, Michael Keaton

Biloxi Blues Universal
MPAA Rating: PG-13 Running Time: *
Cast: Matthew Broderick, Christopher Walken

Bright Lights, Big City MGM/UA
MPAA Rating: R Running Time: 107 mins.
Cast: Michael J. Fox, Phoebe Cates

Friday The 13th: The New Blood Paramount
MPAA Rating: R Running Time: 90 mins.

I've Heard The Mermaids Singing Miramax
MPAA Rating: PG Running Time: *

Jack's Back Paramount
MPAA Rating: R Running Time: 97 mins.
Cast: Cynthia Gibb, James Spader

Permanent Record Paramount
MPAA Rating: PG-13 Running Time: 91 mins.
Cast: Alan Boyce, Michelle Meyrink, Keanu Reeves

Plain Clothes Paramount
MPAA Rating: PG Running Time: 98 mins.
Cast: Harry Shearer, Robert Stack

Sunset Columbia
MPAA Rating: R Running Time: *
Cast: James Garner, Bruce Willis

The Seventh Sign Columbia
MPAA Rating: R Running Time: *
Cast: Demi Moore

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	ADDRESSABLE SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy I, tr.5	VideoCipher II	Movies, how-to's, special events.	1,000,000
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	Movies and special events.	1,400,000
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	1,000,000
Request Television	November 27, 1985	R-1: Satcom III-R, tr. 19 R-2: Satcom III-R, tr. 4	VideoCipher II	Two channels offering movies and special events.	3,300,000
Tuxxedo Network	December 1, 1987	Galaxy II, tr. 10	VideoCipher II	Adult movies and special events.	200,000
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Two channels of movies and special events.	3,200,000
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: movies. Channel 2: cult movies and video rental favorites. Channel 3: additional plays of Chs. 1/2 titles. Channel 4: previews and barker information.	60,000

OPERATIONS

Construction surge seen booming into '89

By Craig Kuhl

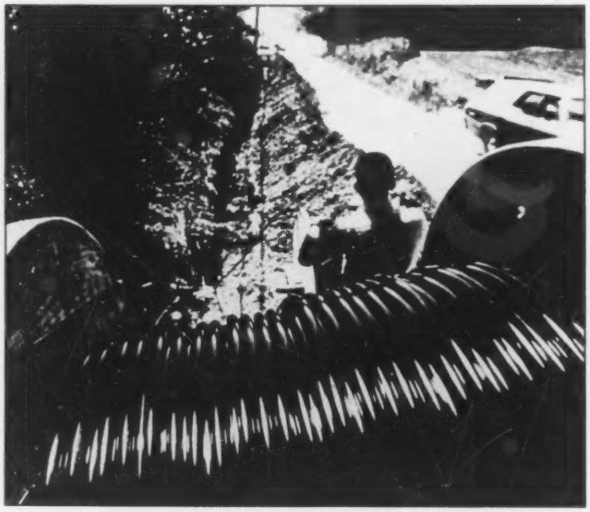
A continuing surge in rebuilds, extensions and retrofits, along with a widening gap between proponents of addressable and non-addressable systems, are two major issues now driving the cable construction business through its second frenzied year in a row. And indications are that the boom will continue at a 10 percent or more rate of increase into 1989.

Construction spending in 1987, dubbed "The Year of the Rebuild," totaled $1.253 billion, according to *CableVision*'s 13th annual construction survey (2/15/88 p.46). That year saw 22,000 miles of new plant and 43,000 more miles of rebuilds and upgrades, according to the magazine's survey, which went on to predict $1.4 billion in construction spending this year.

Developments since then show that the $1.4 billion spending prediction is on target. In fact, the figure may be surpassed slightly by year-end with the emergence of MSO rural rebuilds and extensions and an increase in R&D investment, particularly in fiber. Adding to the surge is that more operators are moving directly from 270 MHz plant into the 400 MHz range, bypassing the 330 MHz range entirely.

The continuing surge of cable construction projects, which began early last year, has maintained a torrid pace over the past 18 months and shows no sign of slowing into 1989. Some contractors, construction companies and distributors are projecting even more activity in 1989 than this year. But because many of these same people admittedly overreacted to the last construction flurry in the late '70s and early '80s, a mood of cautious optimism now pervades the cable construction industry.

Ironically, many of the same frustrations which hampered them in the past are again being felt by many in the construction industry—a lack of qualified personnel from splicers to general foremen, a lengthening of lead times and near critical shortages of raw materials. These frustrations, however, have not dampened the enthusiasm of most in the construction industry, and *CableVision* predicts the strong construction trend will continue well into 1989.



Low-density builds

An example is American Television & Communications. "Our mileage will be significantly increased in 1989 for rebuilds (about 1,280 miles) and newbuilds (about 1,225 miles) and though we are on schedule for our rebuilds in '88 (715 miles), we will have plenty of work ahead of us in '89, which looks to be an even bigger year than '88," says Barb Lukens, director of construction. According to Lukens, ATC, the second largest MSO in the country with 3.8 million subscribers, will have 25 percent rebuilds and 75 percent upgrades in '88 and '89, with a growing number of those in rural areas.

"We have found you can build systems in low-density areas profitably, where each sub is valued at less than $2,000," Lukens says. "Historically, the rule of thumb has been 50 homes per mile. Now it's more like 20-30 per mile and still profitable at 70-80 percent penetration. We're seeing lots of rebuilds in those areas because you already have management in place, customer service established, and the fixed costs have been spread out," she adds. Lukens also suggests that the focus for ATC in the next few years will be on these rural rebuilds and newbuilds and expects lots of activity there in the next two-to-three years. ATC expects to complete 915 miles of newbuilds, 60 miles of fiber and 760 miles of upgrades in 1988. In 1989, those numbers are expected to increase to 125 miles of fiber and 2,800 miles of upgrades.

At United Cable, Pat McDonough, corporate chief engineer, says his MSO will complete about 1,800 miles in '88 with a like amount to be completed in '89.

With the resurrection of rebuilds, Tom Polis, construction executive vice president for RTK Corp., has established a four- to five-year commitment for his company's rebuild and retrofit business. He believes the industry will see continued strong growth patterns in this area. "The next five years should continue at the present pace," Polis says. Currently, 60 percent of his

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Boom, *from page 38*

rebuilds are national and, in many cases, the partial rebuilds and retrofits wind up being total rebuilds.

According to Gordon Halverson, vice president, CATV for Anixter Communications, the most dramatic change in the past two years has been the increased activity with directional taps and the increased value of rural subscribers, with incremental sharp increases in underground enclosures, line extenders and strand hardware, and this trend should continue "as subscriber values remain in the $2,000-plus range per sub," Halverson projects.

'The next five years should continue at the present pace.'

—Tom Polis,
constuction executive
vice president, RTK Corp.

Most industry executives attribute the continuing surge in rebuilds to three reasons: 1) The threat of overbuilds; 2) CLI compliance; and 3) franchise renewals and increased services.

It is perhaps the third factor which is really pushing along the construction boom. Many of the long-postponed upgrade and rebuild projects identified by *CableVision* back in February are

See **Boom**, *page 45*

Construction Spending
1983-1987
($ in thousands)

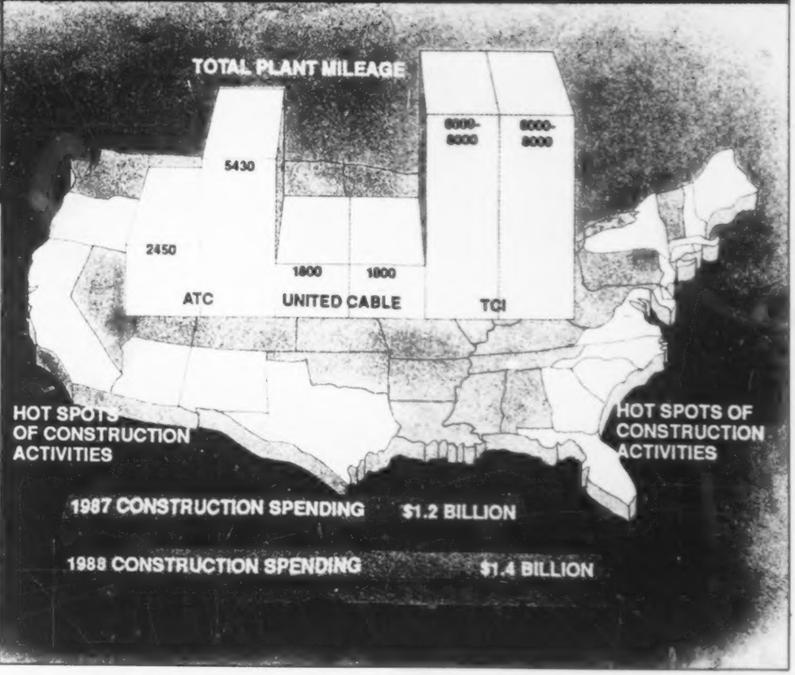
	1983	1984	1985	1986	1987
Estimated new plant costs	$379,500	$922,423	$660,874	$413,511	$371,874
Estimated replacement plant costs	108,600	216,881	252,058	245,904	291,548
Estimated hardware costs	N.A.	N.A.	393,116	326,100	589,724
Total	**$1,488,100**	**$1,139,374**	**$1,306,048**	**$985,515**	**$1,253,146**

Figures were derived from a survey sampling of MSOs and manufacturers, as reprinted in *CableVision*.

Plant Construction Miles
1983-1998

Category	1983	1984	1985	1986	1987
New Plant	7,015	11,353	10,423	9,576	7,412
Underground Aerial	61,960	28,601	26,255	17,556	14,463
Total	**68,975**	**39,954**	**36,678**	**27,132**	**21,875**
Replacement plant	4,125	7,246	7,384	7,674	11,418
Underground Aerial	23,025	21,512	20,673	21,252	31,462
Total	**27,150**	**28,758**	**28,057**	**28,926**	**42,880**

Figures were derived from a survey sampling of MSOs and manufacturers, as reprinted in *CableVision*.


TOTAL PLANT MILEAGE
5430
2450
1800
1800
ATC
UNITED CABLE
TCI
HOT SPOTS OF CONSTRUCTION ACTIVITIES
HOT SPOTS OF CONSTRUCTION ACTIVITIES
1987 CONSTRUCTION SPENDING $1.2 BILLION
1988 CONSTRUCTION SPENDING $1.4 BILLION

Boom, *from page 40*

now on the drawing table. The last cable construction surge in the late '70s and early '80s resulted in many systems that were built simply to be sold, and those now are requiring upgrades and rebuilds, a pattern which should hold for the next four or five years.

At Tele-Communications Inc., Dave Willis, director of engineering, reports that the nation's largest MSO, with about 5.2 million subscribers, will complete about 90 percent of its construction rebuilds and upgrades in '88. But according to Willis, "we always schedule more than we can do, so we actually complete (less than) what we had scheduled." Willis, however, sees a slight slowdown in construction for TCI in 1989. "We'll try and do 6,000-8,000 miles next year," he says.

A growing issue in the cable construction business is the widening gap between proponents of addressable converters and those for non-addressable systems. And although most manufacturers are reporting a big sales year for addressable converters, management at more systems are showing skepticism towards all-addressable, and are advocating hybrid systems.

A case in point is Mile Hi Cablevision in Denver, which in 1983 unveiled a fully addressable system. It is now eight percent addressable and 92 percent non-addressable. "The problem wasn't with the converters, it was the unfriendliness we found addressables had with consumers," explains John Dawson, vice president of engineering there. "It totally alienated cable-ready features."

"The advantages of addressable systems are reaped by the operator, not the consumer," Dawson says. "An addressable system allowed us to do some things like up- and down-grade

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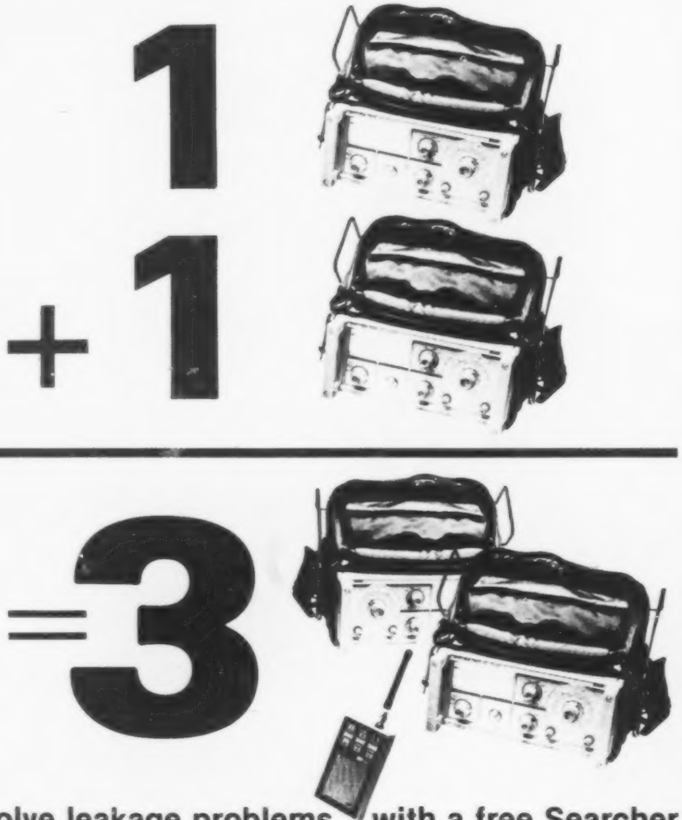
> 'We are asked by every customer to work with them in fiber optics. This is by far the most dramatic turn of events in the industry.'
>
> —Gordon Halverson,
> vice president, CATV, Anixter Communications



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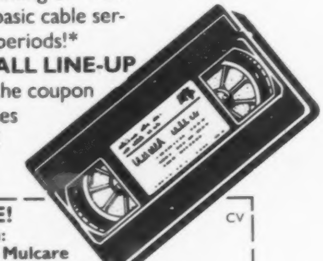

Boom, *from page 45*

more easily and reduce service calls, so there are operator advantages to it, but the interface situation was complex, and had to change. I think it brought to light how difficult fully addressable systems can be, but we were an extreme case," Dawson concludes. He points out that in 1983, 22 percent of his consumers had VCRs, while 50 percent now do.

The Mile Hi case, however, has not slowed sales of addressable converters. "They are really selling," says Mike Hiyashi, marketing manager at Pioneer. "Our addressable sales will be about four million units this year, about the same as last year," he reports. Pay-per-view is the big reason for the strong showing of addressables, according to Hiyashi, with impulse not having the effect as was first thought.

Addressables also have been a big mover at Jerrold, according to Ed Ebenbach, vice president of marketing, subscriber systems division, while "plain Jane" converter sales are soft thus far in '88. "Our lead times have varied from 30-60 days. Our problem has been integrated equipment, but we have a healthy backlog and see a healthy remaining '88 and '89. Addressables have been very kind to us this year," he says.

For Scientific-Atlanta, however, addressability is not a hot item. "We'd like to think addressability is hot, but the momentum for it just isn't there," says Steve Necessary, subscriber product marketing manager. "People are still interested in addressables because of safety from theft and the appeal of PPV, but expectations on PPV have been tempered by impulse, and true impulse is not exploding. More and more systems are pursuing ANI, which is gaining momentum as an ordering method," Necessary says.

The mix of addressable and non-addressable, according to Necessary, depends entirely on each individual system, which must decide for itself which of the two to incorporate. "A pat answer is not real world," Necessary says. "It's a difficult decision, but I think, long-term, addressability will win out because of PPV and its predicted behavioral value learned through video rentals," he concludes. Scientific-Atlanta, according to Necessary, sees steady growth in the construction area and a 10 percent increase in addressable converter sales in '88.

Still in the starting blocks, but ready to explode onto the construction scene, is fiber. "We are asked by every customer to work with them in fiber optics," Halverson reports. "From short trunk usage to larger fiber usage, this is by far the most dramatic turn of events in the industry. All cable operators want to talk about is fiber," he says. Although Anixter is among the largest supplier of optical cable fiber continually is mentioned in construction conversations. ATC and Anixter are testing a huge fiber backbone system in Florida (see related story, page 16).

'Our problem has been integrated equipment, but we have a healthy backlog and see a healthy remaining '88 and '89.'

—Ed Ebenbach, Jerrold vice president of marketing, subscriber systems division

Most industry sources agree that a fiber evolution is taking place, and some say 1991 will be the year fiber comes into its own. "Operators see the need for better signals in the future, particularly since the telcos are already using fiber in their business," Halverson concludes.

Within the construction industry, however, an individual company wouldn't be affected by fiber, according to Polis. "Whatever role fiber is to play in cable, no one has stopped its activity. In fact, exploration into fiber has accelerated," he says. "I think what we'll see in fiber is a hybrid system in the near future, with fiber being used to a certain point, then coaxial and broadband into the home. But long-term we must consider the advantages of fiber directly into the home—both economically and technically. It won't, however, affect us as a construction company," Polis suggests.

Reports of MSOs, manufacturers and distributors waiting on fiber to make its mark are not true, according to Dave Fellows, director of distributor marketing at Scientific-Atlanta. "People certainly have an eye cast towards fiber, but I don't see them waiting around for it. Most realize fiber is a backbone concept and will take time," he says. For the present, Fellows reports that Scientific-Atlanta's '88 distribution numbers are up 30 percent over '87, with the largest increase coming in the past six months. Fellows expects a slight decline for the remainder of '88 and a five to 10 percent overall increase in sales during the next 12 months. And if fiber "lives up to its promise," Fellows says, its cost-effectiveness will spur more rebuilds that will include a greater need for coaxial cable.

Lead-time headaches

The industry's growing appetite for coaxial cable has many in the construction business frustrated, due to longer lead times and in some cases, product scarcity. "The lead time for drop cable has been extended to nearly six weeks. That's unheard of when you consider that a subscriber hook-up depends on it," said Chris Sophinos, CEO/vice president, Midwest CATV. "Overall, the lead times have increased with the higher capacity materials of 450-550 MHz. We feel as though we're in the horsepower race of a few years ago. People are adding channels so dramatically, while traps are requiring much more lead time," Sophinos concludes.

At Magnavox, whose primary production line is amplifiers, Keith Weil, director of marketing, says lead times usually are four-to-six weeks for passive products such as taps, splitters and couplers, while Dick Taylor, director of advertising at C-Cor, is living with 45-to 60-day lead times.

TCI's most pressing construction problem, according to Willis, has been long lead times for aluminum and oil-based products—up to 10 weeks, compared with lead times of four weeks just a year ago. The cry vendors now are hearing from MSOs and cable construction firms is "give us realistic lead times," and allow more time to prepare and budget.

Scientific-Atlanta's solution to the problem, Fellows says, is a team approach within the factory. "We have found that production is quicker through the use of teams. Now, one team works on one product—start to finish—in one operation. It has improved lead times and increased the quality and reliability of the product," he says. Through this team approach, Fellows reports, lead times will be reduced "significantly," to under five weeks.

Yet lead times remain high, according to several industry sources. Hiyashi at Pioneer is reporting 30-90-day lead times for non-addressable converters and the same, or longer, for addressables. Longer lead times for ATC have caused big problems in certain locations which are "causing severe slowdowns," Lukens says. "We have begun to place our orders well in advance to insure delivery, and are going after vendors for delivery."

But some report that lead times seem to have shrunk, such as Geoff Roman, vice president of marketing at Jerrold's distribution systems division. He attributes the reduction to a shift in the market to quadra power and power doubling. "Everyone out there wants the best possible pictures and is demanding higher levels of carrier noise, from 45-46 dB. Not long ago it was 42-43 dB," Roman says. "As a result, most of our lead times are now about 90 days, with some products as high as 120 days. But our lead times are finally starting to come down. By October, our lead times should be about 60 days, and since the hi-tech demand is running so far over forecast, and its growth has been so dramatic, we are adding product capacity and more automation."

For others, a short supply of most products has prevailed all year. "We don't have much of anything. The factories just can't keep up with the demand, particularly cable strand," says Mark Engler, president of Cable Television Supply Co. Most strand is imported from overseas. "Stainless steel price increases are running rampant, with coaxial cable back orders being stretched, and lead times are all

'Hard time': seeing the boom from the ditch

As the cable construction business continues its frustrating search for qualified personnel, the reasons why there aren't more field people to lay the cable becomes painfully apparent.

Low wages, instability in the workplace and a gypsy lifestyle make this career a short-lived one for most of the young men who enter it. In many cases, the stay lasts just a few long, backbreaking days.

"Most of the men who hire on will leave after being in 'the ditch' for two or three days," says Mary Lou Bouman, president of Cable Conduit, a cable construction contractor in Colorado. Being in 'the ditch' literally means digging ditches with a pick and shovel for 12 hours a day at wages less than $6 per hour, in many cases. This is called "hard time," and a tough way of paying dues.

Jeff Ellis, an eight-year veteran, has been in and out of the ditch many times. At 26, he has a wife and two children in Ogden, Utah, whom he sees "sometimes" as his job takes him from site to site, living in makeshift quarters and hotels. "I'll go back to Ogden after this job in about two weeks," Ellis says. "Then go out again when a job opens out of our office in Salt Lake." He will stay in the cable construction business "until something else comes along."

Most of the men in this business—there reportedly are no women in the field—have little education and are tremendously loyal, according to Bouman. "These people aren't transients. There is a definite cult behavior with them, and most want to stay close to home and work, Indians and Chicanos especially. Most of them are biding their time until a better offer comes along from, say, the government, perhaps at a military base," Bouman notes.

Wages range from $4.35 an hour at entry level, which means "hard time" for most, to $12-$14 an hour for general managers. Foremen will make between $6.50 and $8 per hour. At most construction jobs housing is provided, meal money is not. Most of the men drive or ride in company trucks to and from job sites.

John McKeage is a 29-year-old general manager for Cable Conduit, and a seven-year veteran currently on-site at a cable construction project in Steamboat Springs, Colo. "Most of the men in this job are real individuals. They have to have an attitude about cable television; they have to like it. That's what makes some of them so good. Our average turnover, however, is about 200 a year. After a few days with a pick and shovel in the ditch, most will leave. It's very tough work," McKeage says.

And tough work finding good help as well, according to Bouman. "There just isn't much good help," she adds.

With 90 percent of the men under 30, the attraction for this career is travel for the single men, and outdoor work for men with families who can work near their homes. "The tendency among the help is to work for you when you are in their vicinity," Bouman says. But for others, such as John McKeage and Jeff Ellis, it's on the road again to another cable site, another new town, and in some cases, the ditch.

—Craig Kuhl

Boom, *from page 48*

over the place—from two to 12 weeks. It makes our job extremely difficult," Engler reports.

United's McDonough agrees. "Cable lead time is really being stretched and manufacturers are playing it close to the vest to guard their profits. Most lead times now are about 90 days; it's getting terrible, but we have to live with it."

The current "construction frenzy," according to Sophinos, has the industry in a "tizzy," citing the case of Trilogy Cable's MC2 product. "You can't get it," he says flatly. "Strand material is in dire demand and you just can't get it. In many areas, it's holding up crews, some as far back as November."

The solution, according to most industry sources, is simply to even out demand and to increase manufacturers' capacity to produce.

Scarcity of crews

The inability to produce in another area has caused what could be the most alarming problem in the construction industry—qualified construction personnel. This malady dates back several years before the late '70s boom, when qualified construction people were readily available. But no more. "They are getting harder to find," states Polis. Splicers, he says, are very scarce, along with general foremen, crew foremen, field engineers and technicians. And, according to Polis, because the number of retrofits has increased, taps and passes need changing, so five or six splicers are needed instead of just one, along with a zero-defect splicer.

For years, these construction "gypsies" would move from project to project. Now, they prefer to stay in one place, raise a family and enjoy a more stable lifestyle. "It's the insecurity and travel that causes problems," Polis said. "Working for an operator is more stable."

Most construction companies, including RTK, work from a core group of supervisors, foremen and other personnel. In slower construction months, the company will keep them employed in other capacities. "It's tough for these guys. They may work for eight months and not know when they'll work again, or where. Eventually, they will recognize the shortage of manpower and want more money from cable industry projects," Polis speculates. At present turnover rates, just five out of every 20 entry level people remain with the company.

The need for qualified personnel runs across the board within the cable

See **Boom**, *page 53*

Boom, *from page 50*

construction industry. The clustering of sub rebuilds, retrofits and upgrades has helped, but most MSOs and construction companies consider this a major problem still. "They (qualified personnel) are really in short supply," according to Lukens. "Some projects have not even started due to the lack of qualified people. We contact schools such as Wadena Vocational School in Minnesota, and Hinkles and McCoy in Pennsylvania and work with them to train people, but the quality just isn't there," she says.

ATC's approach is to train the workers as linemen, then as splicers, technicians and so on, until they have mastered each discipline. "It's a vertical integration approach," Lukens says. "When the person reaches the technician level, they can do just about anything."

For now, however, Lukens must rely on apprentice linemen, and echoes the industry's concern about the lack of qualified construction personnel and their growing unwillingness to move from one construction site to another.

Roman of Jerrold concurs, but is optimistic. "Many qualified people in the cable construction industry left the business before 1987. Now, there's just not enough people to do the job. But more are beginning to come back, which should help lead times and product quality," he says, along with more qualified people long-term at construction "hot spots."

These "hot spots" of construction activity are directly related to population growth, according to most industry sources, with the Northeast, Florida, the Southwest and California leading the way in construction rebuilds, retrofits and newbuilds, with strong construction taking place nationwide. And most expect that construction trend to continue into 1989.

The East Coast also has become a hotbed of cable construction, according to industry sources. "The entire East Coast is hot. There is substantial bid activity there and in Florida, with rebuilds of 1,200 and 1,700 miles; Cape Cod with 900 miles, the Westchester, N.Y., system, and the Warner systems in New York, New Jersey and Pennsylvania with up to 2,500 miles," a source notes.

The West Coast is not far behind. Contra Costa County, Santa Barbara and San Diego, Calif., and Coos Bay, Ore., are all up for bid, with a large slate of older system rebuilds scheduled.

At bottom, most construction industry officials are confident the strong construction activity which began in 1987 will continue through 1989, a conclusion supported by data gathered by *CableVision*. This includes more rebuilds, particularly in rural areas, and upgrades.

And as cable systems migrate through the 330 MHz range, the industry can expect a greater demand for 450-550 MHz and feed forwarding as the search for greater bandwidth becomes a frenzy in itself.

There are other indications that converter interface and consumer friendliness will be paramount for the industry. As for fiber, it remains the most dramatic technological challenge in cable, which should find a solution in 1991.

In the meantime, the cable construction industry will perk along with overall construction increases of 10 percent to 20 percent into late 1989. ■

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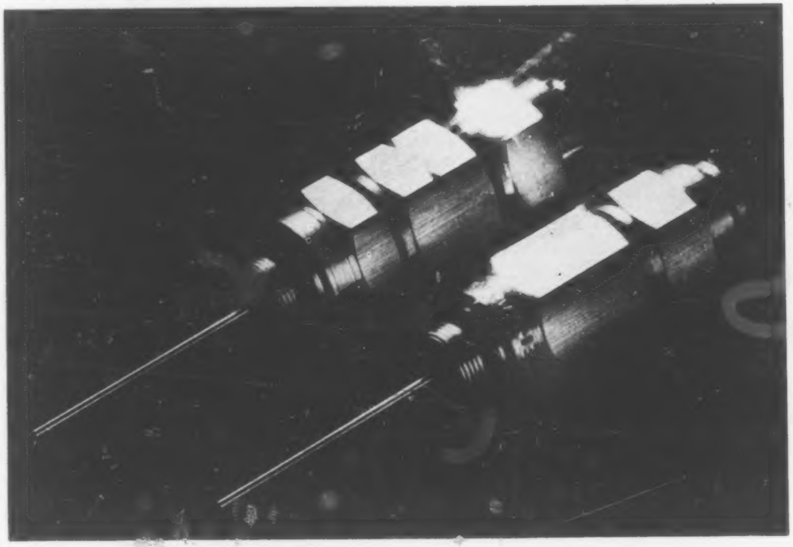

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manufacturers, workers and consumers will be able to reap the visual as well as economic benefits from it.

"For us not to be on the cutting edge would be an economic disaster. We cannot afford to be on the trailing edge. We'd really be missing the boat—again," said Rep. Don Ritter, R-Pa., a member of the House telecommunications subcommittee who is a scientist.

But there is something else coloring HDTV's debut in this country that is not even an issue in other countries—which some, like Rep. Jim Cooper, D-Tenn., argue should not be an issue here. Markey and the FCC want to make sure that broadcasters will be able to offer the technology when it becomes available to ensure the health of the free, over-the-air industry.

Cooper contends that such concern could unnecessarily delay consumer access to HDTV. But the Federal Communications Commission tentatively has concluded that HDTV is in the public interest and that spectrum should be saved to ensure its provision over the air (*CV* 9/12/88 p. 16).

In its preliminary guidelines for HDTV development the commission said that advanced television systems should be compatible with existing TV sets and that any signal must be crammed into the current television bands, which could minimize clarity of the images.

Unlike broadcasters, cable systems are not bound by potentially crippling regulatory and technical constraints.

> 'For us not to be on the cutting edge would be an economic disaster. We cannot afford to be on the trailing edge. We'd really be missing the boat—again.'
>
> —Rep. Don Ritter, R-Pa.

"I wouldn't like to be a broadcaster during this debate. They have to fix regulatory issues and suffer interference. All cable has to do is nail dollar bills up on telephone poles. It's not a big deal," NCTA's Bailey said.

Still, Bailey predicted that the cable industry would work with broadcasters to overcome difficulties, noting that 30 percent to 40 percent of cable programs are broadcast retransmissions.

To gear up for HDTV's arrival, Bailey said cable operators now should be asking themselves if they want to spend the money to increase their bandwidth to eventually offer HDTV programs.

Bob Zitter, vice president of network operations at Home Box Office, said that whether HDTV is merely a creation of "a bunch of engineers or something consumers want," cable must be poised to offer it to reduce the risk of falling behind the video market. "The cable industry must not compromise quality...We are not competing with broadcasting, but with videos," he said during the recent Eastern Show. "Consumers won't tolerate less quality. They want the same quality in cable as they can get at video shops." ■

FCC Must-Carry Survey

Stations that were dropped or denied carriage (As reported by 912 television stations)				Stations that were dropped or denied carriage (As reported by 4,303 cable systems)			
Network Affiliate	452	87	269	Network Affiliate	380	276	595
Commercial Independent	186	83	710	Commercial Independent	316	184	485
Non-commercial ETV (PBS)	237	80	345	Non-commercial ETV (PBS)	347	153	463
Other (relig., specialty	37	30	209	Other (relig., specialty	195	91	277
Grand Total	**912**	**280**	**1,533**	**Grand Total**	**1,238**	**704**	**1,820**

[illegible]

Suppliers swim in black ink by core refocusing

By Virginia Munger Kahn

After more than three years of losses and restructuring, the cable industry's primary equipment suppliers, General Instrument and Scientific-Atlanta, finally have shared in the resurgent construction and rebuild businesses. Both companies reported record sales in their 1988 fiscal years, with S-A also reporting record profits and G.I. reporting operating profits 250 percent ahead of the prior year. G.I.'s fiscal year ends in February and S-A has a fiscal year ending in June.

From the depths of the mid-1980s depression in cable equipment supply until today, the two companies have spun off a dozen businesses and product lines ranging from semiconductors to stereo cabinets. Rather than decreasing their exposure to the cable business, Scientific-Atlanta and General Instrument today are more focused on the cable television business and its related industries than ever before.

At S-A, the communications segment has grown from 65 percent of total revenues three years ago to 72 percent today. At General Instrument, the broadband segment accounted for 46 percent of the company's revenues in 1985, while today that figure has leaped to 66 percent.

The increased focus on cable has paid off. While broadband accounts for 66 percent of G.I.'s revenues, the business accounts for 87 percent of its profits. At Scientific-Atlanta, the communications division, which includes both cable and satellite, is responsible for bringing in 85 percent of the company's operating profits on 72 percent of its revenues.

The big question now is can the two companies keep up the strong performances. Most industry observers agree that the 25 percent growth rate in equipment revenues experienced in 1987 by major suppliers will not be repeated this year, and that next year, growth is expected to fall off even more.

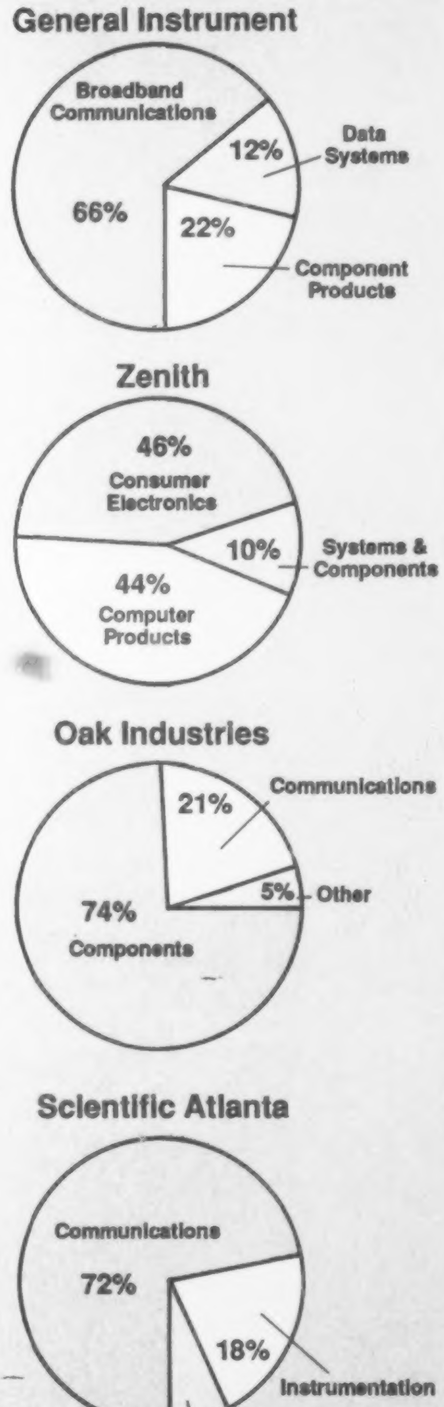
Good news/bad news

What made 1987 (or FY '88) so good was how bad 1986 was. According to statistics compiled by Paul Kagan Associates, total construction miles fell from 90,000 miles in 1982 to 49,000 miles in 1986. In 1986, S-A reported a loss for the first time in 14 years, while G.I. racked up losses of $66 million and $80 million in its fiscal years ending Feb. 28, 1986, and 1987.

The results were even more devastating for those companies not as well entrenched as the two market leaders. Regency Electronics got out of the business, Texscan declared bankruptcy, Oak Communications faced massive

See **Vendors**, *page 60*

Lines of Business Information



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> '(Suppliers) can have good profit growth even in a modest revenue growth environment.'
>
> —Robert Anastasi,
> research analyst at Robinson Humphrey Co., Atlanta

financial problems, and M/A-Com ended up selling its cable and satellite divisions to G.I. While Texscan is on the road to recovery and Oak Communications still produces converters, the structure of the cable equipment business will never be the same.

As Robert Anastasi, research analyst at Robinson Humphrey Co. in Atlanta, notes, that's good news for S-A and G.I. With a decrease in competition and those two companies claiming the "lion's share" of the market now, Anastasi expresses confidence in their ability to continue to perform well in the future. "They can have good profit growth even in a modest revenue growth environment," he says.

Other analysts echo this assessment, noting that by controlling such a large share of the market, G.I. and S-A will be able to increase margins even if revenues do not rise as fast. "Margins will rise as they expand their domination of the market," says Eric Buck, research vice president at Donaldson Lufkin & Jenrette.

Analysts disagree slightly on the anticipated rate of growth in revenues for these two companies over the next year or two. Anastasi is on the low end at zero-to-five percent in 1989 and 10-to-15 percent this year, while G.I. Vice President for Investor Relations Edward Kearney reflects that company's and some analysts' projections of eight-to-12 percent growth this year and next.

Buck describes the business environment as a return to trend lines established over the previous 10 years. While the 1975-to-1983 period represents an abnormally high ramp-up in construction expenditures, the 1984-to-1986 period represents a below-normal period of market activity. The level of business established in 1987 and 1988 will be closer to what can be expected over the next three to four years, he and others indicate.

The key to revenue growth for both G.I. and S-A will be capital spending by the MSOs. Here again there are a range of opinions, with Daniel Zinsser, research analyst at Goldman Sachs, anticipating flat spending this year and a significant decline of 15 percent next year. Glenn Pafumi, telecommunications analyst at Eberstadt Fleming, takes a more optimistic view of eight to nine percent growth this year and zero-to-five percent growth in 1989. Both analysts base their assessments on interviews with executives at the leading MSOs.

"It appears that 1989 will be a transitional year," notes Pafumi. The real unknown is what will happen in 1990. Capital spending that year could be anywhere from five-to-15 percent, he says. It will all depend on how seriously cable operators take the threat of competition from the telephone companies and how wedded they are to rolling out addressibility for pay-per-view and other interactive services.

Zinsser bases his bearish assessment of MSO capital spending plans on operator uncertainty about technological obsolescence in the face of fiber optics availability and the drive for high-definition television. "We believe many cable operators will begin to trim their plans for rebuilding systems" or lengthen the time frame for those rebuilds as they become increasingly concerned about the incompatibility of existing technologies with those of the future, Zinsser writes in a recent report. While he admits that fear of competition from the telephone companies and overbuilders is what has driven cable companies to spend more on rebuilds and extensions this year, he indicates that concern is outweighed by those surrounding the new technologies.

Pafumi, however, identifies just those fears about impending competition as a major spur to the implementation of fiber optic technologies in cable systems. "Running fiber to the home probably is more expensive than Star Wars," he says, alluding to the Reagan

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Administration's proposal for an anti-missile defense system, "but cable operators are scared to death of the telephone companies." As a result, they will try to move fiber as close to the home as possible in an effort to stave off that competitive threat by providing additional services and better quality signals, he says.

G.I. makes a move

If that occurs, General Instrument will be in a good position to benefit as a result of its new joint venture with Alcatel, the Netherlands-based telecommunications equipment manufacturer. Last month the company announced it would spin off a portion of its Comm/Scope cable division, acquired in 1986 from M/A-Com, to Alcatel and Comm/Scope's management. G.I. will retain a 60 percent interest in the new company.

"What this does for us is it gets us into fiber immediately," says G.I.'s Kearney, noting that Alcatel already manufactures fiber optic cable. In addition, General Instrument will acquire the technology for manufacturing fiber optic cable once the demand is there from the U.S. cable industry.

The move illustrates the continuing drive by G.I. to improve its position in the cable industry by expanding its line of products. Already, G.I. is estimated to control approximately 50-to-55 percent of the cable equipment market.

Not surprisingly, the company has benefited handsomely from the resurgence in the cable construction industry. Not only did it report record revenues last year, but it projects that this year will be just as strong. Revenue is expected to exceed $1.3 billion in the fiscal year ending next February, compared to $1.1 billion in 1988, while analysts predict that earnings also will top last year's figure of $66 million.

The company has won a significant share of the market for urban rebuilds and newbuilds, including portions of the New York City market, the Montgomery County cable system in Maryland, portions of the Philadelphia newbuild, and United Cable rebuilds in Tulsa, Denver and Hartford. That level of activity may explain why the company is more bullish about next year than analysts are about the construction business in general.

Caution from S-A

Scientific-Atlanta has been airing more cautionary assessments about the cable market. The company reported that its fourth quarter (the three months ended June 30, 1988) was down in the cable division and that the company faces a number of "uncertainties" in the cable business and defense sector as well as in the economy as a whole.

Analysts attribute S-A's statements to a more wary approach to the business and to the unusual comparisons between early calendar 1988 and the same period in 1987. Last year saw a surge in orders for "plain Jane" converters as operators melted down tiers in response to deregulation, and S-A benefited from that surge.

This year that demand has leveled off considerably, while demand for addressable converters is up. As a reflection of that demand, General Instrument reported a 12 percent increase in revenues in its first quarter of this year, while S-A, which has had trouble getting its new addressable converter to market, reported a down fourth quarter. Addressable converters

See **Vendors**, *page 64*

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July, 1988

RIVER COMMUNICATIONS, INC.

has obtained financing in the amount of

$20,000,000

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HANOVER TRUST
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The undersigned initiated this transaction and served as financial advisor to River Communications, Inc.

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Vice President

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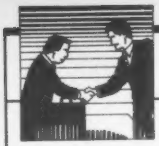
(212) 632-3600



Vendors, *from page 60*

are a larger part of G.I.'s business than basic converters.

Goldman's Zinsser contends that it is operator hesitation on capital commitments that is showing up in G.I.'s and S-A's results. He notes not only that S-A reported a weak fourth quarter in cable and predicts that the weakness will continue, but also that backorders in G.I.'s broadband division are down substantially from a year ago. According to his figures, as of February 1988, G.I. had an order backlog of $174.5 million compared to $243.5 million in February 1987 in the broadband division.

DLJ's Buck counters that the February 1987 figures are distorted by huge backorders for G.I.'s Videocipher system that only began to be delivered in substantial numbers later in 1987. That backlog has been whittled down and now reflects a more normalized flow, he indicates.

Looking at portfolios

Despite their confidence in their core business—cable television equipment supply—both S-A and G.I. still maintain a portfolio of diversified businesses. In each, there is a dog or two, but there are also bright spots.

For G.I., the Videocipher division has been one of the best acquisitions made in recent years. The company bought that and Comm/Scope from M/A-Com in September 1986 for $220 million. "We figured the two businesses would contribute $250 million in revenue in FY '88," says Kearney, but instead they contributed more than $300 million in revenue last year.

What makes Videocipher such a gem is that it has become the standard for satellite delivery of scrambled entertainment programming. "The number of programming services that selected Videocipher is much higher than we anticipated," says Kearney. By combining that technology with converters, the company also has been able to capture the consumer end of that market.

What G.I. has accomplished in the entertainment business, Scientific-Atlanta has been able to do in the business environment. Its Eschelon system has effectively become the standard for satellite business communications, with such customers as AT&T, British Telecom and Federal Express. In an effort to bolster that business, S-A acquired Advanced Communications Engineering in February 1988, a company in which it had invested previously, which adds interactive capability to S-A's private network operations. While the business accounts for only about 10 percent of the company's revenues, it represents a potential good growth sector.

S-A's ventures into other lines of business have been mixed, although it is expected to report orders in its military business sector up 80 percent this year as opposed to last year. In 1987 these other lines of business accounted for 27 percent of revenues.

Vendors' Financial Results
(in thousands)

	Revenue	Net Income
General Instrument		
1988	$1,155,460	$66,220
1987	787,862	(80,377)
1986	612,400	(66,543)
Oak Communications		
1987	$182,210	$8,226
1986	151,745	60,243
1985	153,116	(37,576)
Scientific-Atlanta		
1988	$508,587	$29,670
1987	495,346	24,260
1986	469,124	(9,212)
Zenith		
1987	$2,362,700	(19,100)
1986	1,892,100	(10,000)
1985	1,623,700	(7,700)

( )-Net loss

In the defense sector, the company has been criticized in past years for going after shorter-term contracts and for poor management. Last year, however, S-A landed a major contract with Newport News Shipbuilding and Drydock to develop a noise and vibration monitoring system for the Navy in what it says could be the first step in a new market "with significant long-term potential." In addition, the company has hired a new executive to head that division.

While revenue growth has been only about three percent at S-A, the company's profit margins have improved substantially. "S-A has done a super job focusing on margins," says Bob Anastasi, summing up the company's recent financial performance. This past year margins on net income were up to 5.8 percent compared to 4.9 percent the year before.

The company's strong financial performance is bolstered by a strong balance sheet. Cash reserves were up to $53 million in the period ended June 1988 compared to $22 million in cash last year. Meanwhile, debt has been reduced to just $3 million from $3.2 million the year before.

That strong balance sheet and the strong cash flows that it represents has made the company a target of takeover and leveraged buyout rumors this summer. Analysts attribute the rumors to investors who bought the stock when it was high; however, they concede the company has all the qualifications for a hostile takeover or leveraged buyout by management.

For its part management has stated emphatically that it is not interested in an LBO, and in August the company strengthened anti-takeover provisions in the company's bylaws to thwart potential raiders.

Some analysts, such as Anastasi, say they would like to see the company use some of that cash to make a strategic acquisition or two to further insulate it from cycles in its two primary areas of business—cable equipment and instrumentation—and to bolster its growth prospects.

Pafumi counters that the cable business itself may prove to be a strong vehicle for growth in the early 1990s, and for now he'd like to see the company pay its stockholders more dividends.

General Instrument also has had mixed results in its lines of business outside of cable. Right now, the biggest dog in the company's portfolio is its lottery business, which comprises the bulk of its data systems sector. That sector, which accounts for 12 percent of the company's revenues, lost more than $21 million last year. The problem, according to Jay Samstag, vice president at Duff & Phelps, is that it essentially is "a betting game." Contracts are awarded in bidding contests and G.I. does not control a significant share of the market as it does in cable. The company attributed most of the losses in this sector last year to its participation in the Missouri lottery system, a system that has never met the levels of wagering originally anticipated.

More successful has been G.I.'s component products division and the military contracts sector of the data systems division. The company has exited most of the semiconductor business, leaving the power semiconductor market as its primary player in the component products division.

As far as that business is concerned, Samstag characterizes the company's position as "fairly decent... in a fairly mature business."

While analysts say that in general they are not enthusiastic about either G.I. or S-A increasing their exposure to the volatile defense industry, they note that G.I.'s participation is fairly limited. G.I. produces radar warning, surveillance and targeting systems for both the U.S military and international markets. Last year that division generated $80 million in revenues.

The company recently increased its exposure to the defense business by completing the acquisition of the Dalmo Victor Division from Singer for $175 million. A few days later the company announced that Dalmo Victor had been awarded a $199 million contract from the Air Force for early warning radar systems.

According to Kearney, G.I. long has had its eye on Dalmo Victor and in fact bid for the company when Textron put it up for sale three years ago. G.I. lost out to Singer, but now that the company is being broken up as a result of its acquisition by corporate raider Paul Bilzerian, G.I. had the opportunity to bid on the division again and won this time.

Analysts note that the move is a good one for G.I. in that Dalmo Victor's technology was essentially the same as that produced by G.I. but sold to a different market. Historically, Dalmo Victor's customer base has been the Air Force and the Army, while G.I. has sold its radar systems primarily to the Navy, notes DLJ's Buck. The joining of the two businesses will not only cover that market, but also will make G.I. a better competitor in the international field, he says.

Consolidation ripples

Despite their forays into other fields, both G.I. and S-A remain heavily dependent on the cable equipment business, a business that has undergone substantial restructuring in recent years and is still undergoing change. Just last month, Cable TV Industries, a major distributor of cable products, said that it would be acquired by Anixter Brothers for approximately $15.7 million.

Sometime later this year Zenith likely will sell off its consumer electronics business. Whether the cable TV sector will be a part of that sale is not known at this time, although the business has been doing well for the company lately, according to Bill Relyea, vice president at Eberstadt Fleming. Also, it would be hard to imagine either S-A or G.I. buying Zenith's cable division considering their already dominant positions in the marketplace, say analysts.

As consolidation continues to ripple through the equipment supply business, S-A and G.I. have strengthened their positions so that today they constitute probably 75 percent of the market. As Bob Anastasi notes, that's good news for these two companies. Even if the market ceases to expand as rapidly as it has in the last year, Scientific-Atlanta and General Instrument can be expected to continue to benefit from what growth there is and to weather any flatness or downturns that might be around the corner. ■

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Financial Services to the Cable Communications Industry.

Satellite Lineup

Satcom III-R (GE Americom)	Transponder
American Movie Classics	12
BET	20
Bravo	4
Cable Radio Network	4
Cinemax (West)	23
ESPN (Blackout)	7
The Fashion Channel	1
Financial News Network	11
Genesis Storytime	3
HBO (East)	13
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
QVC Network	8
Request TV	4,19
Shop Television Network	5
Tempo Sound	6
Tempo Television	6
The Travel Channel	16
Trinity Broadcasting Network	3
Turner Network Television	18
TV Decisions	24
USA Network (West)	10

Satcom IV (GE Americom)	Transponder
Alternate View Network	10
American Movie Classics	10
Biznet	6
Bravo	2
Family Guide Network	24
Family Network	7
The Fashion Channel	14
Gospel Music Network	3
Hit Video USA	18
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Madison Square Garden Network	6
Movietime	17
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	24
Playboy On Demand	24
Prime Ticket	20
The Silent Network	23V
SportsChannel-New England	23
SportsVision	9
WPIX—New York	19

Satcom II-R (GE Americom)	Transponder
WABC	4
WCBS	2
WNBC	12

Satcom I-R (GE Americom)	Transponder
Digital Cable Radio	15
Home Sports Entertainment	10
KKGO	16
KTLA	16
KTVT (Dallas/Ft. Worth)	3
Prime Ticket Network	7
Sunshine Network	11

Westar III (Western Union)	Transponder
CNN	5

Westar IV (Western Union)	Transponder
Cable News Network (CNN)	16
International Television Network	10D

Westar V (Western Union)	Transponder
Moody Broadcasting Network	7D
Pro-Am Sports System (PASS)	8
Zephyr Weather Information Service	7D

Telstar 303 (AT&T)	Transponder
American Exxxtasy	19

Galaxy I (Hughes)	Transponder
Arts & Entertainment Network	12
CBN Family Channel	11
Cinemax (East)	19
CNN	7
Country Music Television	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
Electra	18
Prevue Guide	3
Eco	20
ESPN	9
HBO (West)	1
Headline News	8
The Inspirational Network	17
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
Showtime (West)	16
Superstation TBS	18
Univision	5
USA Network (East, Central)	21
WGN	3
WWOR	15

Galaxy II	Transponder
Stardust Theatre	2

Galaxy III	Transponder
ACTS-Satellite Service	7
Cable Value Network	9
Cable Video Store	5
C-SPAN	24V
C-SPAN II	14V
Eternal Word Television Network	10
Galactic Radio	11
Home Premiere Television	16
Lifetime	20
The Meadows Racing Network	17
Mind Extension University	11
MTV	17
Nick At Nite	19
Nickelodeon	19
NuStar	12
Video Hits One (VH1)	15
Viewer's Choice 1+2	21,18
The Weather Channel	13

Spacenet I (GTE)	Transponder
RFD TV	23
SelecTV	2

Spacenet II (GTE)	Transponder
Zap! Movies 1,2,3	2,1,12
Zap! Previews	6

Note: A company name in parentheses following a service or network designates the transponder owner. Source: International Thomson Communications Inc.

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,182,790	(8/88)
2.	American Television & Communications Corp.	3,780,000	(5/88)
3.	Continental Cablevision	2,228,000	(4/88)
4.	Storer Cable Communications	1,488,534	(5/88)
5.	Warner Cable Communications	1,471,766	(9/88)
6.	Cox Cable Communications	1,441,849	(5/88)
7.	Comcast	1,383,724	(3/88)
8.	United Cable	1,210,426	(5/88)
9.	Viacom Cable	1,097,000	(6/88)
10.	Newhouse Broadcasting	1,078,336	(6/88)
11.	Cablevision Systems Corp.	1,073,822	(9/88)
12.	Heritage Communications	1,057,541	(5/88)
13.	Jones Intercable	1,019,871	(8/88)
14.	Times Mirror Cable TV	933,541	(4/88)
15.	Sammons Communications	841,687	(5/88)
16.	UA Cablesystems	814,612	(6/88)
17.	Century Communications Corp.	715,000	(8/88)
18.	Paragon Communications	677,400	(4/88)
19.	Cooke Cablevision	625,000	(8/88)
20.	Adelphia Communications	611,590	(8/88)
21.	Falcon Cable TV	611,490	(9/88)
22.	Cablevision Industries	599,376	(7/88)
23.	Centel Cable	545,399	(9/88)
24.	Telecable Corp.	545,361	(8/88)
25.	Rogers Cablesystems Inc.	529,708	(12/87)
26.	Daniels & Associates	525,117	(4/88)
27.	Scripps-Howard	475,000	(8/88)
28.	Wometco Cable TV	429,662	(5/88)
29.	Prime Cable	422,442	(5/88)
30.	Post-Newsweek Cable	391,000	(8/88)
31.	Tele-Media	384,648	(5/88)
32.	Multivision Cable TV	381,627	(4/88)
33.	WestMarc Communications	344,555	(7/88)
34.	TCA Group	337,999	(1/88)
35.	Lenfest Group	327,378	(4/88)
36.	Maclean Hunter Cable TV	322,225	(4/88)
37.	Multimedia Cablevision	313,167	(4/88)
38.	Rifkin & Associates	300,200	(5/88)
39.	Colony Communications	262,457	(6/88)
40	Western Communications	259,396	(6/88)
41.	TKR Cable	251,056	(7/88)
42.	Star Cablevision Group	245,950	(6/88)
43.	Simmons Communications	235,000	(8/88)
44.	Cencom Cable	227,052	(9/88)
45.	Communications Service Inc.	225,000	(4/88)
46.	Service Electric Cable TV Inc.	220,000	(8/88)
47.	Taft Cablepartners	207,880	(6/88)
48.	Hauser Communications	199,141	(4/88)
49.	Greater Media	170,558	(6/88)
50.	Harron Communications	164,389	(5/88)
51.	Media General	164,200	(6/88)
52.	Columbia International	161,243	(4/88)
53.	Sutton Capital Group	158,463	(8/88)
54.	U.S. Cable Corp.	146,242	(6/88)
55.	Armstrong Utilities	146,203	(5/88)
56.	McDonald Group	142,548	(4/87)
57.	Triax Communications	141,000	(6/88)
58.	Insight Communications	140,000	(8/88)
59.	Palmer Communications	135,861	(9/88)
60.	Summit Communications	130,108	(6/88)
61.	Cable Systems USA	129,078	(4/88)
62.	Sonic Communications	116,656	(6/88)
63.	King Videocable	116,086	(5/88)
64.	Bresnan Communications	115,227	(8/88)
65.	Northland Communications	115,226	(4/88)
66.	Booth Communications	111,000	(8/88)
67.	Susquehanna Broadcasting	108,486	(6/88)
68.	Midcontinent Cable Systems Co.	102,672	(8/88)
69.	United Video Management	97,000	(8/88)
70.	Omega Communications	90,500	(3/88)
71.	Coaxial Communications	90,363	(8/88)
72.	WEHCO Video	90,038	(8/88)
73.	Pencor Services	87,077	(8/88)
74.	Selkirk Communications	74,428	(8/88)
75.	Rock Associates	67,802	(5/88)
76.	Chambers Communications Corp.	63,000	(8/88)
77.	Mountain Cable Co.	61,246	(8/88)
78.	Cardinal Communications	58,000	(8/88)
79.	Gilbert Media	58,000	(8/88)
80.	Douglas Communications	56,463	(9/88)
81.	Hearst Communications Of California	56,003	(8/88)
82.	State Cable TV	52,939	(3/88)
83.	C-TEC Cable Systems	52,398	(9/88)
84.	Joseph Gans Cable TV	52,000	(4/88)
85.	Helicon Corp.	50,000	(3/88)
86.	New England Cablevision	49,586	(6/88)
87.	Bachow & Elkin Communications	49,142	(6/88)
88.	Galaxy Cablevision	48,500	(4/88)
89.	Prestige Cable TV Inc.	48,434	(5/88)
90.	Telesat Cablevision Inc.	47,756	(4/88)
91.	Donrey Media Group	45,869	(5/88)
92.	CableAmerica	42,337	(5/88)
93.	Leonard Communications	42,178	(5/88)
94.	Eastern Connecticut Cable TV	41,444	(9/88)
95.	CableSouth Inc.	41,390	(5/88)
96.	James Cable Partners	38,857	(9/88)
97.	Acton Corp.	38,500	(12/87)
98.	ParCable	35,210	9/88)
99.	Countryside Cable	35,000	(2/88)
100.	Mickelson Media	30,611	(7/88)

Subscriber counts are provided by MSOs and systems to *CableVision*. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to *CableVision*, Attention: Cable Stats, 432 Park Avenue So., Ste. 1010, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	305,985	(7/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	245,000	(3/88)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
6.	Puget Sound, WA	Viacom	203,000	(6/88)
7.	Honolulu, HI	ATC	194,000	(3/88)
8.	Phoenix, AZ	Times Mirror	191,126	(4/88)
9.	Houston, TX	Warner	189,104	(6/88)
10.	Hartford/Plainville/Vernon, CT	United	172,289	(5/88)
11.	Chicago (suburbs)	Continental	168,000	(4/88)
12.	Wayne, NJ	UA Cablesystems	166,241	(6/88)
13.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
14.	Englewood, CO	United	161,002	(5/88)
15.	Rochester, NY	ATC	161,000	(6/88)
16.	Cincinnati, OH	Warner	158,929	(5/88)
17.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
18.	Fairfax, VA	Media General	154,000	(6/88)
19.	Atlanta, GA	Prime Cable	153,557	(3/88)
20.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
21.	Tulsa, OK	United	152,287	(5/88)
22.	Connecticut Complex	Cablevision Co.	147,847	(7/88)
23.	Cherry Hills, NJ	NYT	145,075	(7/87)
24.	Orlando,FL	ATC	143,500	(6/87)
25.	San Jose/Campbell, CA	Gill Cable	137,962	(8/88)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Baltimore County, MD	Comcast	136,096	(6/88)
28.	Upper Manhattan, NY	Paragon	136,000	(4/88)
29.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
30.	Charlotte, NC	ATC	128,000	(3/88)
31.	St. Louis Co., MO	Cencom Cable	127,876	(8/88)
32.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
33.	San Francisco, CA	Viacom	123,000	(6/88)
34.	Pompano, FL	Continental	123,000	(4/88)
35.	San Diego, CA	ATC	121,000	(3/88)
36.	Long Island, NY	Viacom	120,700	(3/88)
37.	Austin, TX	ATC	119,000	(3/88)
38.	Seattle, WA	TCI	112,500	(12/87)
39.	Warren, NJ	TKR	112,116	(7/88)
40.	Toledo, OH	Blade Communications	108,861	(5/88)
41.	Dallas, TX	Heritage	107,680	(5/88)
42.	Southeast Michigan	Comcast	104,803	(6/88)
43.	San Juan, PR	Multivision Cable	104,757	(12/86)
44.	Grand Rapids, MI	UA Cablesystems	103,861	(6/88)
45.	Wilmington, DE	Heritage	103,256	(5/88)
46.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
47.	Pinellas County, FL	Vision Cable	100,614	(6/88)
48.	Tacoma, WA	Viacom	99,000	(6/88)
49.	Raleigh/Durham, N.C.	ATC	98,000	(3/88)
50.	Indianapolis, IN	Comcast	97,790	(6/88)
51.	Escondido, CA	Times Mirror	96,519	(4/88)
52.	Richmond, VA	Continental	94,584	(4/88)
53.	Dade/Broward, FL	Storer	94,577	(5/88)
54.	Boston, MA	Cablevision Co.	92,181	(8/88)
55.	Pittsburgh, PA	TCI	91,000	(12/87)
56.	Nashville, TN	Viacom	90,000	(6/88)
57.	Chicago, IL	Group W	89,500	(7/88)
58.	Worcester Complex, MA	Greater Media	89,497	(6/88)
59.	Jackson MS/Monroe LA	ATC	89,000	(3/88)
60.	Milwaukee, WI	Warner	88,126	(5/88)
61.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
62.	Las Vegas, NV	Prime Cable	86,852	(5/88)
63.	Orange County, CA	Times Mirror	86,607	(4/88)
64.	Greensboro, NC	ATC	86,000	(3/88)
65.	Brooklyn, NY	Warner	83,086	(9/88)
66.	Dover, Morristown, NJ	Sammons	82,871	(5/88)
67.	Portland, OR	Rogers	82,587	(6/88)
68.	Harrisburg, PA	Sammons Communications	82,334	(5/88)
69.	South Bend, IN	Heritage	80,776	(5/88)
70.	Oakland County, MI	United	80,564	(5/88)
71.	New Orleans, LA	Cox Cable	80,348	(3/88)
72.	Baton Rouge, LA	Daniels & Assocs.	79,586	(4/88)
73.	Akron, OH	Warner	79,070	(5/88)
74.	Hillsborough, FL	Paragon	79,000	(4/88)
75.	Columbus, OH	Warner	78,454	(5/88)
76.	Indianapolis,IN	ATC	78,000	(3/88)
77.	St. Petersburg, FL	Paragon	78,000	(4/88)
78.	Albuquerque, NM	Jones Intercable	77,599	(8/88)
79.	Medford Complex Boston Suburbs, MA	Warner	77,167	(5/88)
80.	South Texas, TX	Heritage	77,160	(5/88)
81.	Fresno, CA	Continental	76,326	(9/88)
82.	Naples, FL	Palmer	76,312	(9/88)
83.	Cleveland Heights, OH	Viacom	76,000	(6/88)
84.	Allentown, PA	Service Electric	75,000	(9/87)
85.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
86.	Fayetteville, NC	ATC	74,000	(3/88)
87.	Flint, MI	Comcast	72,923	(6/88)
88.	Little Rock, AR	Storer	72,681	(5/88)
89.	Providence/Warwick, RI	Times Mirror	73,606	(5/88)
90.	Omaha, NE	Cox Cable	73,361	(3/88)
91.	Ocean County, NJ	Adelphia	72,355	(3/88)
92.	Lincoln, RI	Heritage	71,625	(5/88)
93.	Pleasant Hill, CA	WestMarc Communications	71,077	(9/88)
94.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
95.	Des Moines, IA	Heritage	70,148	(5/88)
96.	Santa Monica, CA	Century	69,900	(12/86)
97.	W. San Fernando Valley, CA	Cablevision Industries	69,378	(7/88)
98.	Birmingham, AL	ATC	69,000	(3/88)
99.	El Paso, TX	Paragon	69,000	(4/88)
100.	Syracuse, NY	NewChannels	68,617	(6/88)

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGMENT OCTOBER 10, 1988

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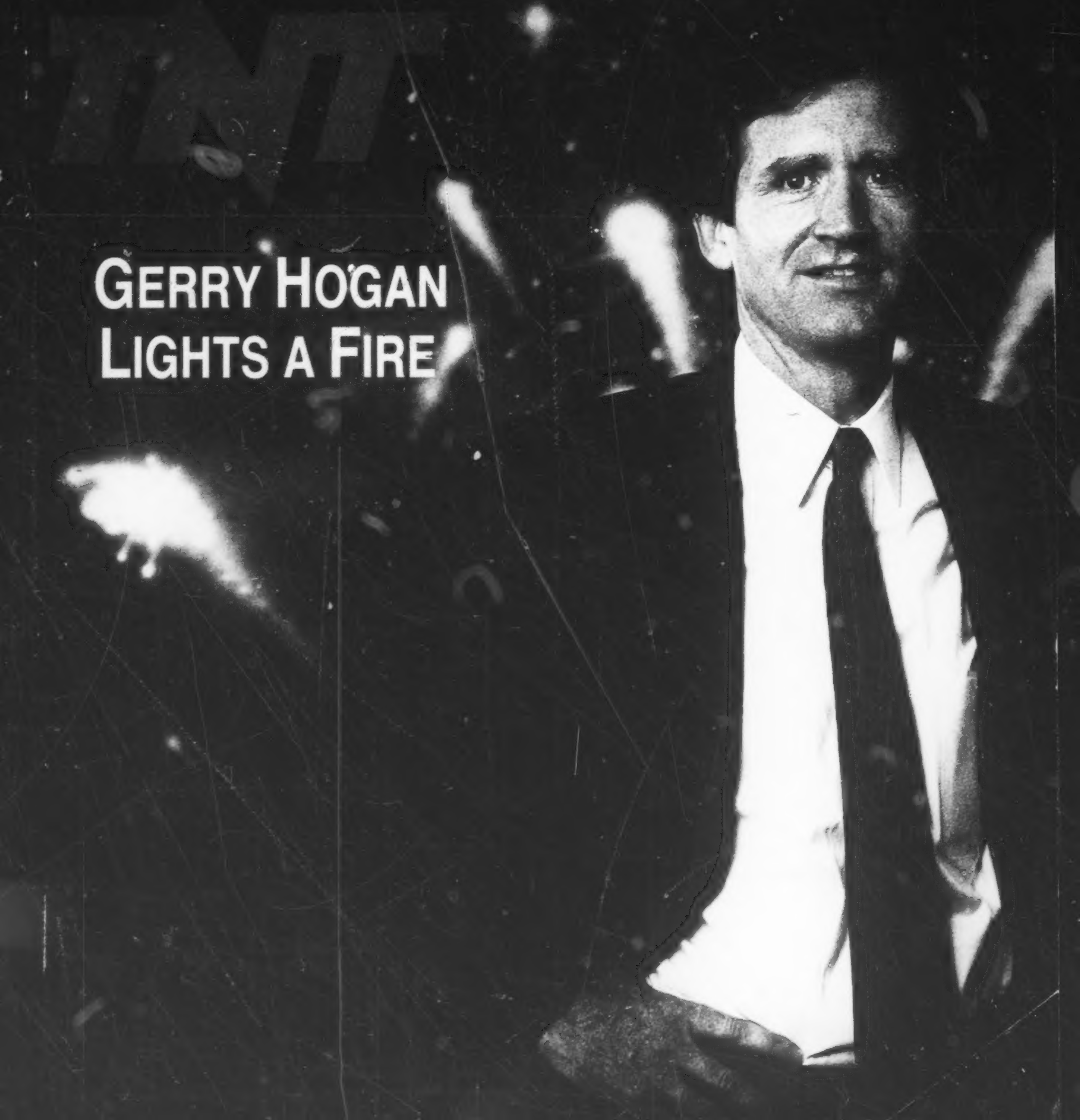
10/4/88

GERRY HOGAN LIGHTS A FIRE



CableVision

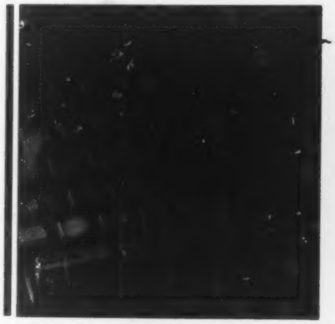
INFORMATION

Jones Drops USA Network. 16
In an escalation of operator unease with rising carriage fees, Jones drops USA Network from about two-thirds of all its homes.

ATC Takes Another Fiber Step. 18
Out in Hawaii, ATC will use glass in trunks in what is billed as the first such AM application.

Stock Exchange Probes Time. 22
The New York Stock Exchange is looking into the meteoric rise in Time Inc. stock, which shot up 19 points on volume six times normal.

Group W Moves on HDTV. 22
Westinghouse is the latest player to jump into HDTV and prepares its Baltimore station as a test site.



Is cable ready for another NABU? 16

ANALYSIS

A Big Bang from TNT. 32
It's launching with about 17 million subs, and it has some great movies and a few specials, but could there be some smoke amid the fire?

Making MIS Pay in Marketing. 52
Sure it's good for sending out monthly bills, but today's relational databases can—and should—do much more.

They Want Their D.C.-TV. 62
It's not news that the Honorables in Washington are masters of the sound bite, but did you know they are their own programmers?

Making It Run Right. 66
General managers have a lot on their plates nowadays, and four tell how they're serving subs while guarding that shelf space.

'If you know a subscriber's tendencies, you know what you can market to that subscriber. 52

COVER PHOTOGRAPH

◆

'I don't come in in the morning with a sense of history,' says a boyish Gerald Hogan.

Photo by George Burnett

The Making of a Legend 32

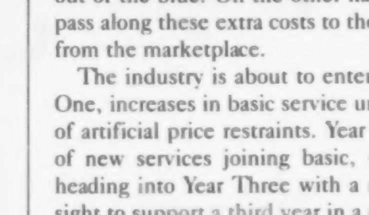
COMMENTARY

Catch-22

◆◆◆

Cable operators demanded better programming on basic. Many basic networks went out and bought high-profile off-net shows and signed deals for made-for-TV movies and other specials. Now the bill is coming due in the form of rising carriage fee structures, and operators are balking.

A lot of fingers are being pointed as this Catch-22 controversy widens what had been a narrowing gulf between operators and programmers. USA Network presently is at the center of this storm with its reported plan to raise fees by a nickel a sub in January, with another nickel to be tacked on a year later. But other networks surely will be following suit, given the wave of program acquisition over the last year or so.



We don't want to interject ourselves too much into what is purely a business matter between willing sellers and buyers. But two points should be made. From the programmer's viewpoint, there is the issue of trust and expectation. At one cable show after another over the last couple of years, operators took the podium to plead for better programming. Now they've got it, and as astute businessmen they cannot credibly claim that rising fees are coming out of the blue. On the other hand, operators know they cannot innocently pass along these extra costs to the consumer without some risk of retribution from the marketplace.

The industry is about to enter its third year of rate deregulation. In Year One, increases in basic service understandably were made to adjust for years of artificial price restraints. Year Two's hikes were justified by the number of new services joining basic, notably Discovery and AMC. Now we're heading into Year Three with a restless Congress and no saleable reason in sight to support a third year in a row of rising basic service rates.

Apparently the NFL has something to do with operator resistance to rising fees. They paid an extra dime for football, and that investment paid off handsomely. Now they seem to be judging other rate cards against that experience.

Clarification: The cover photo on our Sept. 12 issue indicated that the movie *Peggy Sue Got Married* was running on Showtime. HBO holds the exclusive rights to the film. The photo, supplied by Prevue Guide, was developed for promotional purposes only.

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October 10, 1988
Volume 12, Number 7

ITCI

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 S. Cherry Street, Suite 400, Denver, Colorado 80222 -or- P.O. Box 5208-TA, Denver, CO 80217. August 15, 1988, Volume 12, Number 7. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 S. Cherry St., Suite 400, Denver, Colorado 80222.

ABP BPA

SPORTS

Top Basic Cable Sports Programs
Sept. 19-25

	Date	Program	Net	Rating	Homes
1.	9/24	CFA: Arizona State vs. Nebraska	ESPN	2.8	1,366,000
2.	9/25	NFL Primetime (7:15-8:15 PM)	ESPN	2.2	1,074,000
3.	9/25	Nascar Winston Cup: Goody's 500	ESPN	2.1	1,025,000
4.	9/25	NFL Theater: Fantastic Finishes	ESPN	2.1	1,025,000
5.	9/25	NFL Primetime (10-11 PM)	ESPN	2.1	1,025,000
6.	9/24	Col.Ftbll: Georgia vs South Carolina	TBS	1.9	893,000
7.	9/22	Baseball: Braves vs Astros	TBS	1.8	827,000
8.	9/21	Baseball: Braves vs Astros	TBS	1.6	752,000
9.	9/19	Baseball: Braves vs Giants	TBS	1.5	717,000
10.	9/20	Baseball: Braves vs Giants	TBS	1.5	715,000
11.	9/22	Thurs. Night Boxing	USA	1.5	680,000

Score one

FNN: Score had an identity problem. Not being a complete 24-hour network made it tough to sell to cable operators intending to streamline carriage of partial-day networks. Also, regional cable networks were eating up its weekday prime time viewers. According to FNN executives, this—and the demand for primetime business news through FNN—is why Score was collapsed into a weekend service.

Despite a feeling in the industry that Score is being pushed aside, Arnie Rosenthal, executive vice president and general manager of Score, says the opposite is true. "It's made us stronger." He says Score now can avoid the low sports HUT (Homes Using Televison) weekday levels and concentrate on weekends, when viewing is greater. He didn't disclose what ratings Score receives in weekday prime time, but says they were lower than the weekend.

Score also may be stronger because of increased weekend air time. Its weekday 8 p.m. to midnight hours are gone. Friday nights now will expand from 8 p.m. to 3 a.m. Saturdays and Sundays will see an extra three hours, now running from 5 p.m. to 3 a.m. Rosenthal says the extended time could provide room, for example, for a late western time zone college basketball game.

To boost its image with what Rosenthal calls "crossover" events, Score will add more golf coverage. With business news skewing to an upscale managerial audience, additional golf events, which appeal to the same audience, will provide a better environment for advertisers, he said.

Score often has exchanged programs with regional networks in areas where Score isn't widely carried. The regionals also benefited from a wider exposure of their wares. Might Score become involved with the NHL if SportsChannel America encounters rough sledding in selling hockey to the regional cable nets? Rosenthal says that's possible, but adds that his fall schedule is pretty well set. ■

A ratings rout

NBC knew the Seoul Olympics would not be the Los Angeles Olympics. They proved themselves right, and then some.

Beyond the complaints of too many commericals, too much talk and, above all, too little action, NBC isn't saying why ratings are off by as much as 35 percent from the 1984 games. Mike Eskridge, executive vice president in charge of the Games, would only guess that perhaps the environment has changed in the four years since ABC aired the 1984 summer event.

Is cable a cause of the erosion? Early indications are that it probably is not, according to Barry Cook, vice president of media research for NBC. He points to ABC's 1988 winter games in Calgary. "How much has cable programming changed since the winter Games? Probably not that much." He thinks that rules out cable as a major factor because ABC, while losing $65 million on the Calgary Games, still grabbed better ratings than in the 1984 games. ABC's winter Games achieved an overall 15.4 rating/29 share in Calgary against the 1984 Sarajevo contests, which garnered a 15.2/27.

Does this mean more leverage for cable receiving Olympics events in the future? Neal Pilson, president of CBS Sports, who has the 1992 winter Games in Albertville, France, wouldn't say—although he has worked up some numbers for a cable package (*CV* 7/18/88 p. 18).

NBC posted an average 18.2 rating Nielsen national rating for the first 10 days, 22.5 percent below the L.A. numbers. ■

What's on the Pays/November

Cinemax

New Movies

Title	MPAA Rating	Distributor
Captive Hearts	PG	MGM/UA
China Girl	R	Vestron
Dark Horse	NR	Universal
Enter Laughing	NR	Columbia
Eye Of The Tiger	R	Scotti Bros.
The First Time	NR	Columbia
For Pete's Sake	PG	Columbia
Gaby: A True Story	R	Tri-Star
The Gate	PG-13	New Century
Tom Horn	PG	Warner Bros.
Ishtar	PG-13	Columbia
The Killing Time	R	New World
Lady Beware	R	Scotti Bros.
The Lords Of Flatbush	PG	Columbia
My American Cousin	PG	Spectrafilm
Nowhere To Hide	R	New Century
Prick Up Your Ears	R	Sam Goldwyn
Pushover	NR	Columbia
Red Nights	R	Trans World
Secrets Of The Bermuda Triangle	G	Warner Bros.
Siesta	R	Lorimar
Solarbabies	PG-13	MGM/UA
Survival Game	R	Trans World
Touch & Go	R	Kings Road
Turnaround	R	Cinema Group
The Wind	NR	Omega

Original Programming/Specials

Cinemax Comedy Experiment: Comedy From Here
Cinemax Comedy Experiment: New Homeowner's Guide To Happiness
Cinemax Comedy Experiment: Norman's Corner
Crazy About The Movies: Cary Grant: The Leading Man
The Max Movie Show

Jimi Hendrix

Highlights

Baby Boom	PG	MGM/UA
Cinemax Vintage Performances: Jimi Hendrix		
Fatal Beauty	R	MGM/UA
The Running Man	R	Taft/Barish
Someone To Watch Over Me	R	Columbia

The Disney Channel

New Movies

The Camel Boy	NR	Cori Films
Charlotte's Web	G	Paramount
The Chipmunk Adventure	G	Sam Goldwyn
The Dirt Bike Kid	PG	Worldvision
Dot & The Smugglers	NR	Cori Films
Fantastic Adventures Of Unico	NR	Sanrio
The Happiest Millionaire	NR	Disney
The Hobbit	NR	Lorimar
Konrad	NR	Wonderworks
The Little Colonel	NR	20th Century-Fox
Pinocchio	G	Four Star
Please Don't Eat The Daisies	NR	MGM/UA
Royal Wedding	NR	Turner
Swallows And Amazons: The Big Six	NR	Primetime
Swing Time	NR	Turner
Three Amigos	PG	HBO
Top Hat	NR	Turner
Treasure Of Swamp Castle	NR	Cinar
Under The Biltmore Clock	NR	Rubicon
Willy Wonka And The Chocolate Factory	G	Warner Bros.

Original Programming/Specials

Banjo, The Woodpile Cat
Dorothy In The Land Of Oz
Frosty's Winter Wonderland
JFK: A Celebration Of His Life & Times
More Dinosaurs
My Father The President
A Nation Of Immigrants
Raggedy Ann & Andy: A Musical Adventure
Snow White Live

Yellowstone, The First National Park

Good Old Boy

Highlights

Good Old Boy
Here's To You, Mickey Mouse!
New Vaudevillians III
New World
1988 Prince's Trust All-Star Concert

Home Box Office

New Movies

The Concrete Jungle	R	Lorimar
The Far Country	NR	Hal Roach
Guess Who's Coming To Dinner?	NR	Columbia
Heart Of A Champion: The Ray Mancini Story	NR	20th Century-Fox
He's My Girl	PG-13	Scotti Bros.
It's Alive III	R	Warner Bros.
Kentucky Fried Movie	R	Hal Roach
Off The Wall	R	Paramount
Positive I.D.	R	Universal
Rolling Vengeance	R	Apollo
The Seventh Voyage Of Sinbad	NR	Columbia
The Sicilian	R	20th Century-Fox
Space Rage	R	Vestron
Steel Dawn	R	Vestron
Sweet Country	R	Cinema Group
Sweet Lorraine	PG-13	Paramount

Original Programming/Specials

HBO Family Playhouse: Divorced Kids Blues
HBO Comedy Hour
JFK: In His Own Words
Madeline
Not Necessarily The News: The Reagan Legacy
On Location: Bob Goldthwait—Is He Like That All The Time?
1st & Ten: The Bulls Means Business—four episodes

A Dangerous Life

Highlights

A Dangerous Life		
Baby Boom	PG	MGM/UA
Like Father Like Son	PG-13	Tri-Star
The Running Man	R	Taft/Barish
Suspect	R	Tri-Star

The Movie Channel

***Can't Buy Me Love*, Touchstone Pictures' comedy mixing school days and young romance, headlines TMC's November lineup, along with Paramount's adaptation of *The Untouchables*, directed by Brian De Palma. The network's list of new titles for the month was unavailable at presstime.**

Can't Buy Me Love

Showtime

New Movies

Barfly	R	Cannon
Campus Man	PG	Paramount
China Rose	R	.A.
Dancers	PG-13	Cannon
The Good Wife	R	N.A.
Lies	R	N.A.
Maid To Order	PG	Lorimar
My Demon Lover	PG-13	Atlantic
Positive I.D.	R	Universal
The Sicilian	R	20th Century-Fox
Summer Rental	PG	New World
Surrender	PG	Warner Bros.
Teen Wolf Too	PG-13	Atlantic
The Toxic Avenger	R	Troma

Original Programming/Specials

Brothers—new episodes
Goldy II: The Saga Of The Golden Bear
It's Garry Shandling's Show—new episodes
Second City's 15th Anniversary Special
Super Dave—new episodes
Tropical Rock: A Hot Night In Ibiza

The Untouchables

Highlights

Can't Buy Me Love	PG-13	Touchstone
Showtime Coast To Coast: New York Edition	—	
Souvenir		
The Untouchables	R	Paramount

CABLE STATS

Subscriber Count

Satellite national services

Basic services	**Affiliates**	**Subscribers**
ACTS Satellite Network	365	8,000,000
Alternate View Network	250	4,000,000
Arts & Entertainment (A&E)	2,600	36,000,000
Black Entertainment Television	1,200	20,000,000
Cable News Network	11,860	46,238,000
Cable TV and Appliance Network	N.A.	1,500,000
Cable Value Network	1,850	20,000,000
CBN Family Channel	8,215	41,642,000
C-SPAN	3,014	39,200,000
C-SPAN II	539	15,400,000
Country Music Television	862	8,000,000
The Discovery Channel	3,567	33,800,000
Eco	300	1,000,000
ESPN	9,500	47,800,000
Eternal Word Television Network	461	10,100,000
Family Guide Network	60	4,500,000
FamilyNet	47	1,200,000
The Fashion Channel	600	10,100,000
Financial News Network	3,500	30,500,000
FNN/Score	1,150	19,800,000
FNN/TelShop	950	11,000,000
Headline News	3,228	32,693,000
Home Shopping Network	1,342	15,700,000
Home Shopping Network II	302	5,500,000
The Inspirational Network	950	10,500,000
International Television Network	56	7,868,900
The Learning Channel	930	12,800,000
Lifetime	3,600	40,800,000
Mind Extension University	84	1,700,000
Movietime	200	7,500,000
MTV	5,010	42,700,000
The Nashville Network	7,335	41,051,392
Network 1 USOA	N.A.	N.A.
Nick At Nite	3,285	36,400,000
Nickelodeon	6,195	41,200,000
The Nostalgia Channel	290	3,500,000
Prevue Guide	200	5,300,000
QVC Network	931	12,600,000
RFD TV	N.A.	N.A.
Shop Television Network	119	4,400,000
Silent Network	380	10,300,000
Superstation TBS	8,171	45,718,000
Tempo Television	700	8,000,000
The Travel Channel	300	11,000,000
Trinity Broadcasting Network	650	8,000,000
Univision	340	N.A.
USA Network	10,100	45,200,000
VH-1	2,140	27,900,000
Vision Interfaith Satellite Network	N.A.	N.A.
The Weather Channel	3,240	36,100,000
WGN-TV	11,000	24,900,000
WWOR-TV	2,499	12,302,073
WPIX-TV	858	9,678,474

Bonus/basic services

American Movie Classics	1,500	20,000,000
Bravo	350	1,300,000

Pay services

American Exxxtasy	35	27,000
Cinemax	3,650	5,100,000
The Disney Channel	5,000	3,810,000
Festival	100	42,500
Home Box Office	7,400	15,900,000
The Movie Channel	3,250	2,600,000
The Playboy Channel	550	490,000
Showtime	6,000	6,300,000

Audio services

Cable Radio Network	49	1,556,736
Galatic Radio	84	1,050,000
KKGO Super Jazz	18	133,639
Moody Bible Institute	63	1,058,368
Satellite Radio Network	237	483,000
Seeburg Lifestyle Music	142	2,578,838
Seeburg Lifestyle Adult Contemporary	26	854,390
Tempo Sound	125	1,250,000
WFMT Chicago	170	1,259,804

Text services

AP News Cable	185	2,500,000
AP Business Plus	54	1,400,000
AP News Plus	75	2,100,000
Cable SportsTracker	41	875,000
EPG	280	6,800,000
EPG Jr.	330	300,000
Genesis Storytime	39	1,550,000
Reuters NewsView	127	2,437,000

Computer services

DBC/MarketWatch	462	9,200,000
X*Press Executive	457	6,100,000
X*Press X*Change	457	6,100,000

Non satellite-fed national services

Basic services	**Affiliates**	**Subscribers**
Cable Video Entertainment	190	18,000,000
Fuji Network	3	12,000
Nippon Golden Network	3	13,000
Vector Consumer News	5	200,000
Vector Consumer Shopping Guide	9	325,000

Interactive services

Basic services	**Affiliates**	**Subscribers**
Telaction	1	4,000
Video Jukebox Network	9	268,000

Regional entertainment services

Basic services	**Affiliates**	**Subscribers**
Atlanta Interfaith	7	177,000
Bay Area Religious Channel	6	113,000
Buffalo Sabres Hockey	6	455,000
Cable TV Network of New Jersey	34	1,396,451
The Ecumenical Channel	9	170,000
KBL Entertainment Network	67	1,000,000
KTVT	415	3,588,270
Life Newsvision	35	50,000
Madison Square Garden Network	112	2,500,000
Meadows Racing Network	14	600,000
News 12 Long Island	4	532,000
Prime Cable	9	381,938
Prime Ticket	55	2,300,000
Sportsvision	50	1,507,270
Sunshine Network	112	1,700,000

Pay services

Home Sports Entertainment	196	684,740
Home Team Sports	114	1,000,000
New England Sports Network	160	301,131
Prism	87	427,000
Pro-Am Sports	140	301,000
SportsChannel (Florida)	10	470,000
SportsChannel (New England)	147	942,943
SportsChannel (New York)	94	1,150,000
Z Channel	65	110,010

Note: Figures for affiliate/subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Cable Stats, 432 Park Avenue South, Suite 1010, New York, NY 10016.
N/A denotes information not available.

Announced services

Satellite-fed services	**Expected launch**
American Man's Network	2/89
ATV: Advertising Television	1/89
CD/8: The Digital Music Network	4th Quarter 1988
The Computer Channel	5/89
Digital Cable Radio	1st Quarter 1989
Digital Radio Labs	1st Quarter 1989
Interactive Game Network	3rd Quarter 1989
Kids Information Network	4th Quarter 1988
The Landscape Channel	4th Quarter 1988
Laugh TV	1st Quarter 1989
Main Street	2nd Quarter 1989
Mizlou Cable Sports Network	4/89
Spanish TV News Network	11/88
Talk Television	1st Quarter 1989
TNT	10/88
Wingtips	4th Quarter 1989

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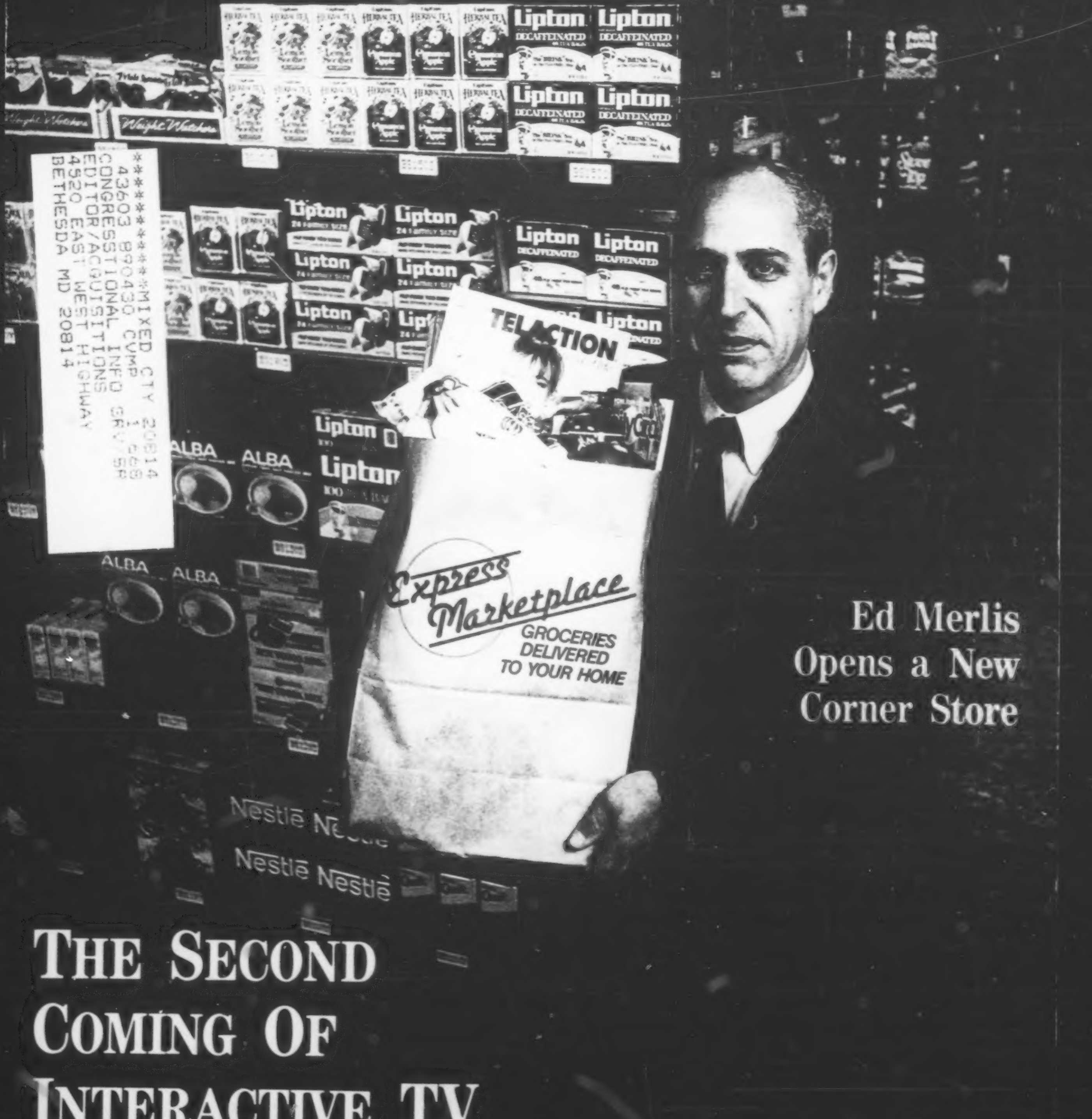
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THE SECOND COMING OF INTERACTIVE TV

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT OCTOBER 24, 1988

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Interactive TV is back and it's different. 'Clearly groceries have been the most successful' says Telaction's Ed Merlis.

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COMMENTARY

Cable rich

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One of the items that catches the eye in the *Forbes Four Hundred* list of the richest people in America, in the Oct. 24 issue, is that 73 of the multimillionaires "have fortunes derived principally from media enterprises." That's well above the number whose fortunes are derived from financial operations (65), high technology (15), oil and gas (30), agriculture (16) and retailing (21). The number of media fortunes ranks a close second to manufacturing (75) and not far behind real estate (87), to which a major segment of the media, cable television, is closely related in its financial structure.

Other interesting tidbits: Prominent in the list of those whose fortunes were battered the most by last year's stock market crash is TCI's Bob Magness, who, according to *Forbes*, saw his pile decline from $372 million to $290 million. And in a real sign of the cable times, Lowell Paxson and Roy Speer were dropped from this year's list because their Home Shopping Network stock plummeted from $15.50 a share last year to around $4.00 now. Easy come, easy go, as *Forbes* says.

Close calls: Two among the "near misses" who didn't quite make the cutoff of $225 million are Alan Gerry of Cablevision Industries ($200 million) and Glenn Jones of Jones Intercable et al (ditto).

Many of the media multimillionaires are familiar names; Magness, for example, and the Cox sisters ($4.5 billion), Jack Kent Cooke ($950 million), Charles Dolan ($550 million), Amos Hostetter ($250 million), Sumner Redstone ($1.4 billion) and Ted Turner ($535 million).

Two old curmudgeons deserve mention. Charles Sammons, 90, is quoted as saying that "cable is somewhat like Alice in Wonderland. You have to run just to keep up." Given that his Sammons Communications, the 16th largest MSO, is valued at $1.3 billion, that's an apt quote. Likewise Donald Reynolds, 82, whose name accounts for Donrey Media, says that he has many personal relationships "not because I'm cute, just solvent" to the tune of $1 billion.

And then there's Ralph Baruch. He isn't on the *Forbes* list, but he does offer some sobering advice to those who are. He gave a stirring speech at the Walter Kaitz dinner, which is excerpted in a Forum column on page 72.

—Steve Tuttle
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October 24, 1988
Volume 12, Number 8

ITCI

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 S. Cherry Street, Suite 400, Denver, Colorado 80222 -or- P.O. Box 5208-TA, Denver, CO 80217. August 15, 1988, Volume 12, Number 8. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 S. Cherry St., Suite 400, Denver, Colorado 80222.

ABP BPA

Taking the pledge in junk bonds

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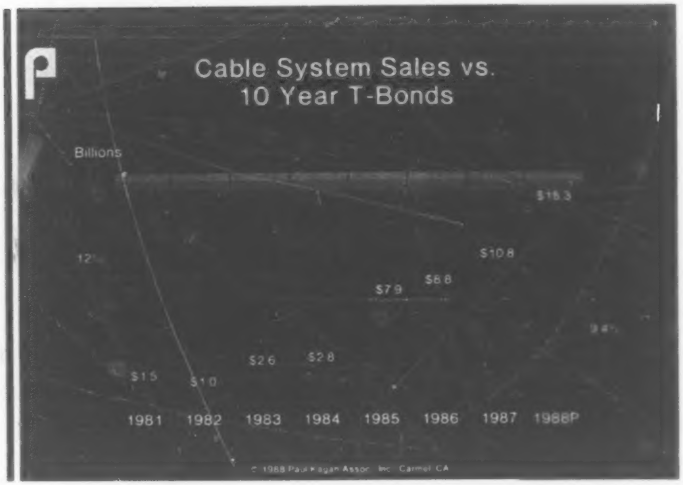
By Virginia Munger Kahn



The junk bond market will continue to be the primary source of public capital for large MSOs despite a falloff in recent new issue activity and an increase in restrictive covenants, investment bankers said at a Paul Kagan acquisitions seminar in New York. At the same time investors continue to view cable high-yield issues as most attractive, because of their defensive nature and the perception that they can withstand a recession, noted Peter Horan, managing director at Merrill Lynch Capital Markets.

Investment bankers Steven Rattner of Morgan Stanley and Fred Seegal of Shearson Lehman Hutton attributed the decline in new cable junk bonds to the nature and structure of the large transactions that have occurred this year. In the case of both Storer Communications and Wometco, the MSO buyers essentially must leave the current capital structures in place. As Seegal put it, "the financial buyers have exited the market and left behind capital structures they built for themselves."

The rise in covenants on junk bond issues primarily is a function of bondholders seeking protection from additional debt being piled on the companies. While Horan said the restrictions are geared toward acquisitions rather than maintenance of certain performance guidelines, Rattner contends the covenants are even more burdensome than they appear at first blush.

That rise in the use of covenants is leading an increasing number of companies to the private placement market, said the bankers. It is a phenomenon taking place throughout American business, according to a recent *Business Week* article, and private placements may account for half of all debt issued this year.

Not only are companies attracted to the market's privacy—they do not have to file documents with the Securities and Exchange Commission—but rates in the private placement market have been competitive with public markets recently and often only a handful of insurance companies must be dealt with rather than a whole raft of public bondholders. "Now when someone wants covenant relief it's easier to go to the private market," said Seegal.

However, panelists at another session discounted the role insurance companies will play in financing cable's future. While Diane Kaufman, formerly with MONY Financial Services and now general partner at Media Ventures LP, noted that insurance companies are anxious to do cable financings, she and other panelists indicated that lending agreements with such firms still are not flexible enough for most cable operators. While operators like to keep leveraging up their companies by building on new acquisitions, most insurance company agreements require the operator to start paying down debt beginning in year two, said Donald Russell, group vice president at Communications Equity

Associates.

Added Peter Horan, "There's still a quantum difference between junk and the private market" when it comes to covenants.

While the public debt markets have been good to cable, the equity market stands out as a major sore point in cable's capital formation picture. As prices in the private market have continued the climb, the poor performance of cable stocks has grown even more painful. Not only is it financial suicide for most cable companies to issue public equity at 50 percent or less of what the company is valued at in the private market, but as prices in the private market have risen the need for equity has grown more acute.

Most financiers agree that commercial banks will lend up to eight times cash flow on a major acquisition. Providers of mezzanine financing such as subordinated debt will cover another two to three times cash flow. However, many cable deals these days are going for 13 times projected cash flow and equity is needed for that final financing stage.

It is still possible to do convertible securities, noted Fred Seegal, but "that's about it."

One attractive equity source that Seegal said could raise more than $1 billion for the industry, but which is not being used by operators, is the limited partnership market. The perception is that for all the time and effort it takes, the return in such a situation is not worth it. Even though the general partner puts up no equity, and the return theoretically is infinite, the GP gets just 20 to 30 percent of the upside. The perception among operators is that that's not enough.

Peter Horan noted that there is substantial interest among operators in raising investment funds similar to what Merrill Lynch did with ML Media for Martin Pompadur and Elton Rule. "Every operator I go to asks, 'Can you raise me a $500 million equity fund,'" said Horan. The key to successfully marketing such an investment vehicle lies in the track record of the operators. They must be experienced in buying and selling properties, not operating cable systems, noted Horan.

While the news on the equity front remains bleak, other financing sources, particularly the commercial banking sector, continue to increase their exposure to the business. The comfort level such institutions have with cable is evident not only in that increased role, but also in their willingness to take mezzanine lending positions and stretch out payback periods on certain transactions. Don Russell noted that while most banks say they will

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SOLD
The cable television assets of Crawford Cable TV serving Erick, Oklahoma to Mission Cable. This sale represents over 520 basic subscribers. Karen Thompson represented the seller in this transaction.

SOLD
The cable television assets of County Cable, Inc., serving Greeneville, Baileyton and Chuckey, Tennessee to C4 Media Corporation. This sale represents over 2,500 basic subscribers. Landis Williams represented the seller in this transaction.

SOLD
The cable television assets of Twin Lakes Cable, Inc., serving Friendsville, Greenback and Blount and Loudon Counties, Tennessee to C4 Media Corporation. This sale represents over 700 basic subscribers. Landis Williams represented the seller in this transaction.

SOLD
Certain assets of JMCI Cable Company serving Troy, Indiana to Tele-Media Corporation. Karen Thompson represented the seller in this transaction.

SOLD
The cable television assets of GWP, Inc., serving Tri Palm Estates, California to Calavision. This sale represents over 1,500 basic subscribers. Judith Bershof represented the seller in this transaction.

SOLD
The cable television assets of Marrowbone Community TV System, serving Marrowbone, Kentucky to Tele-Media Corporation. This sale represents over 370 basic subscribers. Trudy Comer represented the seller in this transaction.

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September 1988

lend six to eight times cash flow, "a lot more banks are willing to go to the higher end" these days. Fred Seegal called the relaxation in payback periods one of the more important changes in cable's financing picture.

Gary Corr, vice president for Citibank, explained some of the factors behind a bank's willingness to stretch. As interest rates decline, banks are more willing to lend at the higher end of six to eight times cash flow. Another factor is the ability of the operator to do a fast "fix-up" on the system by immediately raising prices or collapsing tiers to get cash flow up fast. Buildouts are more conservatively evaluated because they take more time, as are overhead improvements such as when a larger company acquires a smaller company.

Beyond eight times cash flow, it becomes difficult to amortize the debt within a bank's normal 10-year time frame, noted Corr. "I don't see much movement away from those parameters," he added.

The most concrete evidence of the financing community's comfort with the cable industry, however, is the returns they expect when investing in the business. As is the case with all investments, the higher the risk, the higher the expected return. According to Seegal, rates of return in other media are as much as 300 to 400 basis points higher than cable at the mezzanine and equity levels. "Cable clearly is the premium," he said.

The most noticeable change in expected rates of return has come in the equity area. "Returns on equity are dropping significantly," noted Steve Rattner. Whereas the equity return for management in the Wometco deal originally was projected at 40 percent, today most deals do not provide returns of better than 20 percent, he noted. In one recent deal where the operator was paying $2,800 a subscriber, equity

$600,000,000

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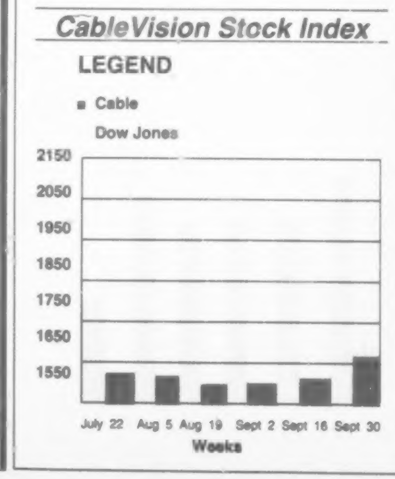
returns were 12 percent.

That trend likely will continue with the entrance of new players such as Pacific Telesis and Houston Industries, which have longer timeframes on their investments, the exit of the so-called financial players who sought quick, big turnarounds on their investments, and the increasing dominance of long-time cable operators in the mergers and acquisitions market.

One investor who will not accept declines in equity returns is Media Ventures' Diane Kaufman. Her firm still is looking for returns of 30 to 40 percent on equity investments. "When people (are) talking about lower equity returns, they (are) talking about larger deals, which tend to be higher priced," noted Kaufman. On transactions below $2,500 a subscriber, the 30 to 40 percent return on equity formula works just fine, she indicated.

A major reason for the increasing confidence in the cable business among sources of financing is the industry's consistent outperformance of even the most optimistic projections, said panelists. In the case of the Wometco deal where management was projected to receive a 40 percent return, the return actually



Stock Market

EXCH	COMPANY	CLOSING QUOTE 09/21/86	CLOSING QUOTE 10/05/86	NET CHANGE IN PERIOD	PERCENT CHANGE IN PERIOD	P/E RATIO	ANNUAL DIV	ANNUAL YLD%	EARNINGS PER SHARE	52 WEEK HIGH	52 WEEK LOW
MSOs & PROGRAMMERS											
ASE	ACTON	13.88	13.13	-0.75	-5.40	16	0.00	—	5.08	25.50	11.63
OTC	ADELPHIA COMM.	19.50	20.00	0.50	2.56	—	0.00	—	—	22.75	8.50
OTC	AMERICAN TELE & COMM.(H)	28.00	30.50	2.50	8.93	80	0.00	—	0.61	30.88	16.50
ASE	CABLEVISION SYS (a)	33.75	32.50	-1.25	-3.70	—	0.00	—	—	38.00	16.00
OTC	CENTEL CABLE	22.75	23.50	0.75	3.30	—	0.00	—	—	28.00	11.38
ASE	CENTURY COMMUNICATIONS	19.25	19.13	-0.12	-0.62	—	0.00	—	—	21.75	10.00
OTC	COMCAST	14.88	16.00	1.12	7.53	—	0.16	1.13	—	18.50	10.63
OTC	CVN	15.00	15.00	0.00	0.00	10	0.00	—	0.84	17.38	7.75
NYS	DISNEY	63.13	64.25	1.12	1.77	17	0.40	0.60	3.52	60.00	41.25
ASE	FALCON	21.25	20.00	-1.25	-5.88	—	2.16	10.40	—	21.38	13.50
OTC	FINANCIAL NEWS NET.	7.38	7.25	-0.13	-1.76	17	0.00	—	0.35	11.38	3.63
ASE	GALAXY	16.50	16.75	0.25	1.52	27	1.40	8.50	0.62	19.00	14.00
ASE	HOME SHOPPING NETWORK	4.38	4.00	-0.38	-8.68	19	0.00	—	0.22	14.38	3.38
OTC	JONES INTERCABLE	12.00	12.13	0.13	1.08	5	0.00	—	2.55	14.38	7.75
OTC	JONES INTERCABLE INV(H)	14.88	15.00	0.12	0.81	—	1.00	10.07	—	15.25	7.88
ASE	LORIMAR-TELEPICTURES	14.13	12.75	-1.38	-9.77	14	0.00	—	—	16.75	8.63
NYS	MCA	43.75	46.88	3.13	7.15	31	0.68	1.50	1.81	62.38	30.00
OTC	MULTIMEDIA	72.00	73.50	1.50	2.08	58	0.00	—	1.27	75.50	39.50
OTC	NOSTALGIA CHANNEL	1.00	1.00	0.00	0.00	—	0.00	—	—	8.00	0.50
ASE	NEW YORK TIMES	27.88	28.00	0.12	0.43	14	0.48	1.70	1.86	43.75	24.38
NYS	PLAYBOY ENTERPRISES	13.75	14.00	0.25	1.82	278	0.00	—	0.90	16.38	10.00
OTC	QVC	8.75	8.88	0.13	1.49	—	0.00	—	—	11.63	4.50
TOR	ROGERS COMMUNICATION (H)	50.50	56.00	5.50	10.89	—	0.00	—	—	58.37	18.37
OTC	TCA CABLE TV	30.50	31.50	1.00	3.28	55	0.32	1.00	0.51	35.50	19.50
OTC	TELE-COMMUNICATIONS	24.13	25.13	1.00	4.14	—	0.00	—	—	27.50	16.50
ASE	TEMPO ENTERPRISES	8.25	8.88	0.63	7.64	66	0.16	1.90	0.42	9.50	4.38
NYS	TIME INC.	107.75	116.00	8.25	7.66	23	1.00	0.90	4.56	117.50	66.75
NYS	TIMES MIRROR	31.50	32.75	1.25	3.97	15	0.62	3.00	2.19	51.13	28.00
NYS	TRIBUNE CO.	38.63	39.88	1.25	3.24	30	0.76	2.10	2.01	49.75	28.50
ASE	TURNER BROADCASTING	14.75	14.63	-0.12	-0.81	—	0.00	—	—	16.63	7.50
OTC	UNITED ARTISTS	28.00	26.75	-1.25	-4.46	228	0.00	—	0.09	32.25	14.75
NYS	UNITED CABLE TV	33.75	33.50	-0.25	-0.74	186	0.08	0.20	—	34.25	18.00
ASE	VIACOM	28.25	30.00	1.75	6.19	—	0.00	—	—	30.38	10.00
NYS	WARNER COMM.	35.63	36.75	1.12	3.14	18	0.50	1.50	2.02	38.38	17.50
OTC	WESTMARC COMM.	16.75	16.50	-0.25	-1.33	30	0.00	—	0.79	[illegible]	9.50
SERVICE & FINANCIAL COMPANIES											
OTC	BURNUP & SIMS	14.38	14.88	0.50	3.48	26	0.00	—	0.46	15.88	4.00
NYS	CAPITAL CITIES	341.00	356.38	15.38	4.51	19	0.20	0.10	19.19	447.00	287.00
NYS	GULF & WESTERN	30.00	30.25	0.25	0.84	12	0.70	1.90	2.86	46.75	29.75
MANUFACTURERS & DISTRIBUTORS											
OTC	ARTEL	2.00	2.00	0.00	0.00	—	0.00	—	—	3.25	1.38
NYS	ARVIN	22.00	21.00	-1.00	-4.55	75	0.68	3.10	0.92	32.25	14.75
NYS	AUGAT	11.50	11.63	0.13	1.13	24	0.40	3.40	0.57	27.75	10.63
OTC	CABLE EXCHANGE(L)	1.75	1.75	0.00	0.00	—	0.00	—	—	5.38	1.75
OTC	CABLE TV IND.	4.63	4.75	0.12	2.59	16	0.00	—	0.30	4.88	1.25
OTC	C-COR ELECTRONICS	8.75	8.75	0.00	0.00	20	0.00	—	0.60	10.25	3.75
NYS	CONTEL CORP.	35.38	37.25	1.87	5.29	25	2.08	5.60	0.65	37.75	26.00
OTC	DATAVISION	0.88	0.88	0.00	0.00	—	0.00	—	—	2.00	0.88
OTC	GANDALF TECH.	6.25	6.25	0.00	0.00	10	0.00	—	0.64	8.25	4.75
NYS	GENERAL INSTRUMENT	27.00	26.88	-0.12	-0.44	10	0.50	1.90	2.01	47.88	21.50
OTC	GRAPHIC SCANNING	5.50	5.50	0.00	0.00	7	0.00	—	1.24	8.88	4.50
NYS	HARRIS CORP.	25.88	27.25	1.38	5.30	16	0.88	3.21	2.32	40.13	22.00
NYS	M/A-COM	10.00	9.88	-0.12	-1.20	—	0.24	2.40	—	14.00	7.25
NYS	OAK INDUSTRIES	1.13	1.00	-0.13	-11.50	8	0.00	—	0.16	1.63	0.88
ASE	PICO PRODUCTS	2.38	3.13	0.75	31.51	—	0.00	—	—	7.38	1.75
NYS	PIONEER ELECTRONICS	55.13	47.00	-8.13	-14.75	63	0.37	0.70	1.38	60.00	28.75
OTC	RADIATION SYSTEMS	9.13	8.88	-0.25	-2.74	12	0.10	0.80	0.73	13.88	7.38
ASE	RMS INTERNATIONAL	1.75	1.75	0.00	0.00	2	0.00	—	0.04	2.88	1.13
NYS	SCIENTIFIC-ATLANTA	12.13	12.25	0.12	0.99	16	0.12	1.00	1.29	17.88	8.13
OTC	TELECRAFTER	4.88	4.88	0.00	0.00	488	0.00	—	0.01	6.63	2.50
NYS	TEKTRONIX	21.88	21.38	-0.50	-2.29	713	0.60	2.80	0.03	38.25	20.50
NYS	VARIAN ASSOCIATES	27.00	26.88	-0.12	-0.44	69	0.26	0.97	0.05	39.00	18.25
OTC	WAVETEK	6.63	6.63	0.00	0.00	30	0.00	—	0.37	10.88	5.63

MARKET DIARY:

ADVANCES	31
DECLINES	19
UNCHANGED	11
NEW HIGHS	3
NEW LOWS	0

LARGEST DOLLAR GAINER....Capital Cities	+$15.38
LARGEST DOLLAR LOSER....Pioneer Electronics	−$ 8.13
LARGEST PERCENTAGE GAINER....Pico Products	+31.51%
LARGEST PERCENTAGE LOSER....Pioneer Elecronics	−14.75%

(H) = NEW HIGH IN PERIOD
(L) = NEW LOW IN PERIOD
(d) = DEFICIT
(s) = reflects stock split

ALL OTC QUOTES ARE REPRESENTED BY THE BID PRICE will total 160 percent, according to Rattner. Storer Communications has 50,000 more subscribers now than it did when the deal originally was announced last April. "The business historically has outperformed in every case," said Rattner.

As Paul Kagan himself noted, that superior performance, the ability to raise substantial amounts of capital providing 15 percent returns, plus all the leveraged buyouts that have placed premiums on the value of these companies, all show "there is real value in those assets beyond the emotional stock market."

The stock market still is feeling the affects of the crash, even if other sectors of the financial markets are not, noted the panelists. But in addition to the jittery mood of the market overall, one of the primary factors driving down cable stock prices in recent months have been fears of telephone company entrance and negative articles in two major business publications about the telco threat.

"Institutions are totally obsessed with telcos for reasons that are beyond me," said Rattner. "I have talked to all the RBOCs" in relation to several recent major deals, said Rattner, and after those contacts he said it is clear the Bell companies are not interested in overbuilding existing cable systems and are focused on acquisitions outside their service areas. ■

NOTES

Financial/Stocks

Tele-Communications Inc.

Tele-Communications Inc. will redeem its 6.5 percent convertible subordinated debentures, due Aug. 15, 2011, on Oct. 27. The bonds carry a redemption premium of 5.2 percent, which will be paid along with accrued interest to the redemption date.

Texscan

Operating income at Texscan rose 46 percent during the quarter ended July 31 to $449,000, compared with $308,000 the previous year. Sales for the quarter finished at $12.2 million, up from $9.4 million a year ago. However, the company had a $394,000 operating loss, off from $393,000 in net profit during the same 1987 period.

Cable TV Industries

Cable TV Industries, about to be acquired by Anixter, accumulated $372,000 in net income during the quarter ended July 31, compared to

This notice appears as a matter of record only.
August 1988

Sold:

Shaver Lake Cable TV

Serving Shaver Lake and portions of
Fresno County, California.

Jeff Eden represented the sellers.

DANIELS
&ASSOCIATES
3200 Cherry Creek South Drive
Suite 500
Denver, Colorado 80209
303/778-5555

Financial Services to the Cable Communications Industry.

CABLE STATS

Cable Network Ad Performance

June 1988 billings	June 1987 billings	Year-to-year dollar change	Year-to-year percent change
$47,889,258	$50,022,422	-$2,133,164	-4.3%

Top 10 cable net sponsors/June 1988

1. Procter & Gamble	$2,662,599	6. Clorox	$957,785
2. Philip Morris	1,843,919	7. Time Inc.	918,744
3. Anheuser-Busch	1,408,579	8. Schering-Plough	900,560
4. General Mills	1,355,866	9. RJR Nabisco	800,687
5. Eastman Kodak	1,160,673	10. Gillette	748,535

Top 10 sponsors/2nd Quarter 1988

1. Procter & Gamble	$14,146,430	6. RJR Nabisco	$6,156,088
2. Philip Morris	11,892,953	7. Eastman Kodak	6,076,831
3. General Mills	8,559,534	8. Chrysler	5,695,750
4. Anheuser-Busch	8,550,447	9. Mars Inc.	5,021,601
5. Time Inc.	7,824,133	10. Gillette	4,719,942

Source: Broadcast Advertising Reports data; figures represent combined billings of CBN, CNN, ESPN, MTV, USA and Superstation TBS

	2nd Qtr. 1988 billings	2nd Qtr. 1987 billings	Year-to-year dollar change	Year-to-year percent change
CBN	$17,200,000	$15,954,008	$1,245,992	8.0%
CNN	26,424,352	21,879,36[illegible]	4,544,987	20.8%
ESPN	28,468,804	26,482,[illegible]	1,986,562	7.5%
MTV	20,728,252	19,710,6[illegible]	1,017,575	5.2%
USA	25,983,804	17,647,344	8,336,460	47.2%
TBS	59,717,708	52,307,800	7,409,908	14.2%

Source: Broadcast Advertising Reports data

Subscriber Universe Estimates

	Total TV households	Cable TV households	Cable percent of TV households
A.C. Nielsen	90,400,000	47,042,470	52.8%
Arbitron	88,812,800	45,886,600	51.7%
Paul Kagan Associates	88,970,000	44,030,000	49.4%

Subscriber numbers as of July 1988
Nielsen figures include Alaska and Hawaii

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,182,790	(8/88)
2.	American Television & Communications Corp.	3,780,000	(5/88)
3.	Continental Cablevision.	2,228,000	(4/88)
4.	Storer Cable Communications.	1,488,534	(5/88)
5.	Warner Cable Communications.	1,471,766	(9/88)
6.	Cox Cable Communications.	1,441,849	(5/88)
7.	Comcast	1,383,724	(3/88)
8.	UA Cablesystems.	1,339,729	(10/88)
9.	United Cable.	1,210,426	(5/88)
10.	Viacom Cable.	1,097,000	(6/88)
11.	Newhouse Broadcasting.	1,078,336	(6/88)
12.	Cablevision Systems Corp.	1,073,822	(9/88)
13.	Heritage Communications.	1,057,541	(5/88)
14.	Jones Intercable.	1,019,871	(8/88)
15.	Times Mirror Cable TV.	933,541	(4/88)
16.	Sammons Communications.	841,687	(5/88)
17.	Century Communications Corp.	715,000	(8/88)
18.	Paragon Communications.	677,400	(4/88)
19.	Cooke Cablevision.	625,000	(8/88)
20.	Adelphia Communications.	611,590	(8/88)
21.	Falcon Cable TV.	611,490	(9/88)
22.	Cablevision Industries.	599,376	(7/88)
23.	Centel Cable.	545,399	(9/88)
24.	Telecable Corp.	545,361	(8/88)
25.	Rogers Cablesystems Inc.	529,708	(12/87)
26.	Scripps-Howard.	475,000	(8/88)
27.	Wometco Cable TV	429,662	(5/88)
28.	Prime Cable.	422,442	(5/88)
29.	Post-Newsweek Cable.	391,000	(8/88)
30.	Tele-Media.	384,648	(5/88)
31.	Multivision Cable TV.	381,627	(4/88)
32.	WestMarc Communications.	344,555	(7/88)
33.	TCA Group.	337,999	(1/88)
34.	Lenfest Group.	327,378	(4/88)
35.	Maclean Hunter Cable TV.	322,225	(4/88)
36.	Multimedia Cablevision.	313,167	(4/88)
37.	Rifkin & Associates.	300,200	(5/88)
38.	Colony Communications.	262,457	(6/88)
39.	Western Communications.	259,396	(6/88)
40.	TKR Cable.	251,056	(7/88)
41.	Star Cablevision Group.	245,950	(6/88)
42.	Simmons Communications.	235,000	(8/88)
43.	Cencom Cable.	227,052	(9/88)
44.	Communications Service Inc.	225,000	(4/88)
45.	Service Electric Cable TV Inc.	220,000	(8/88)
46.	Taft Cablepartners.	207,880	(6/88)
47.	Hauser Communications.	199,141	(4/88)
48.	Greater Media.	170,558	(6/88)
49.	Harron Communications.	164,389	(5/88)
50.	Media General.	164,200	(6/88)
51.	Columbia International.	161,243	(4/88)
52.	Sutton Capital Group.	158,463	(8/88)
53.	U.S. Cable Corp.	146,242	(6/88)
54.	Armstrong Utilities.	146,203	(5/88)
55.	McDonald Group.	142,548	(4/87)
56.	Triax Communications.	141,000	(6/88)
57.	Insight Communications.	140,000	(8/88)
58.	Palmer Communications.	135,861	(9/88)
59.	Cable Systems USA.	131,440	(10/88)
60.	Summit Communications.	130,108	(6/88)
61.	Sonic Communications.	116,656	(6/88)
62.	King Videocable.	116,086	(5/88)
63.	Bresnan Communications.	115,227	(8/88)
64.	Northland Communications.	115,226	(4/88)
65.	Booth Communications.	111,000	(8/88)
66.	Susquehanna Broadcasting.	108,486	(6/88)
67.	Midcontinent Cable Systems Co.	102,672	(8/88)
68.	United Video Management.	97,000	(8/88)
69.	Omega Communications.	90,500	(3/88)
70.	Coaxial Communications.	90,363	(8/88)
71.	WEHCO Video.	90,038	(8/88)
72.	Pencor Services.	87,077	(8/88)
73.	Selkirk Communications.	74,428	(8/88)
74.	Rock Associates.	67,802	(5/88)
75.	Chambers Communications Corp.	63,000	(8/88)
76.	Mountain Cable Co.	61,246	(8/88)
77.	Cardinal Communications.	58,000	(8/88)
78.	Gilbert Media.	58,000	(8/88)
79.	Douglas Communications.	56,463	(9/88)
80.	Hearst Communications Of California.	56,003	(8/88)
81.	State Cable TV.	52,939	(3/88)
82.	C-TEC Cable Systems.	52,398	(9/88)
83.	Joseph Gans Cable TV.	52,000	(4/88)
84.	Helicon Corp.	50,000	(3/88)
85.	New England Cablevision.	49,586	(6/88)
86.	Bachow & Elkin Communications.	49,142	(6/88)
87.	Galaxy Cablevision.	48,500	(4/88)
88.	Prestige Cable TV Inc.	48,434	(5/88)
89.	Telesat Cablevision Inc.	47,755	(4/88)
90.	Donrey Media Group.	45,869	(5/88)
91.	CableAmerica.	42,337	(5/88)
92.	Leonard Communications.	42,178	(5/88)
93.	Eastern Connecticut Cable TV.	41,444	(9/88)
94.	CableSouth Inc.	41,390	(5/88)
95.	James Cable Partners.	38,857	(9/88)
96.	Acton Corp.	38,500	(12/87)
97.	ParCable.	35,210	9/88)
98.	Countryside Cable.	35,000	(2/88)
99.	Mickelson Media.	30,611	(7/88)
100.	Harmen Cable Communications.	29,202	(3/88)

Subscriber counts are provided by MSOs and systems to CableVision. *Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 432 Park Avenue So., Ste. 1010, New York, NY 10016.*

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	305,985	(7/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	245,000	(3/88)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
6.	Puget Sound, WA	Viacom	203,000	(6/88)
7.	Phoenix, AZ	Times Mirror	200,000	(10/88)
8.	Honolulu, HI	ATC	194,000	(3/88)
9.	Houston, TX	Warner	189,104	(6/88)
10.	Hartford/Plainville/Vernon, CT	United	172,289	(5/88)
11.	Chicago (suburbs)	Continental	168,000	(4/88)
12.	Wayne, NJ	UA Cablesystems	166,241	(6/88)
13.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
14.	Rochester, NY	ATC	163,000	(10/88)
15.	Englewood, CO	United	161,002	(5/88)
16.	Cincinnati, OH	Warner	158,929	(5/88)
17.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
18.	Fairfax, VA	Media General	154,000	(6/88)
19.	Atlanta, GA	Prime Cable	153,557	(3/88)
20.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
21.	Tulsa, OK	United	152,287	(5/88)
22.	Connecticut Complex	Cablevision Co.	147,847	(7/88)
23.	Cherry Hills, NJ	NYT	145,075	(7/87)
24.	Orlando,FL	ATC	143,500	(6/87)
25.	San Jose/Campbell, CA	Gill Cable	137,962	(8/88)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Baltimore County, MD	Comcast	136,096	(6/88)
28.	Manhattan, NY	Paragon	136,000	(4/88)
29.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
30.	St. Louis Co., MO	Cencom Cable	128,135	(10/88)
31.	Charlotte, NC	ATC	128,000	(3/88)
32.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
33.	San Francisco, CA	Viacom	123,000	(6/88)
34.	Pompano, FL	Continental	123,000	(4/88)
35.	San Diego, CA	ATC	121,000	(3/88)
36.	Long Island, NY	Viacom	120,700	(3/88)
37.	Austin, TX	ATC	119,000	(3/88)
38.	Martin/Stuart Co., FL	Centel	118,361	(10/88)
39.	Seattle, WA	TCI	112,500	(12/87)
40.	Warren, NJ	TKR	112,116	(7/88)
41.	Toledo, OH	Blade Communications	108,861	(5/88)
42.	Dallas, TX	Heritage	107,680	(5/88)
43.	Southeast Michigan	Comcast	104,803	(6/88)
44.	San Juan, PR	Multivision Cable	104,757	(12/86)
45.	Grand Rapids, MI	UA Cablesystems	103,661	(6/88)
46.	Wilmington, DE	Heritage	103,255	(5/88)
47.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
48.	Pinellas County, FL	Vision Cable	100,614	(6/88)
49.	Tacoma, WA	Viacom	99,000	(6/88)
50.	Raleigh/Durham, N.C.	ATC	98,000	(3/88)
51.	Indianapolis, IN	Comcast	97,790	(6/88)
52.	Escondido, CA	Times Mirror	96,519	(4/88)
53.	Richmond, VA	Continental	94,606	(10/88)
54.	Dade/Broward, FL	Storer	94,577	(5/88)
55.	Boston, MA	Cablevision Co.	92,181	(8/88)
56.	Pittsburgh, PA	TCI	91,000	(12/87)
57.	Nashville, TN	Viacom	90,000	(6/88)
58.	Tampa, FL	Paragon	90,000	(10/88)
59.	Chicago, IL	Group W	89,500	(7/88)
60.	Worcester Complex, MA	Greater Media	89,497	(6/88)
61.	Jackson MS/Monroe LA	ATC	89,000	(3/88)
62.	Milwaukee, WI	Warner	88,126	(5/88)
63.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
64.	Las Vegas, NV	Prime Cable	86,852	(5/88)
65.	Orange County, CA	Times Mirror	86,607	(4/88)
66.	Greensboro, NC	ATC	86,000	(3/88)
67.	Brooklyn, NY	Warner	83,086	(9/88)
68.	Dover, Morristown, NJ	Sammons	82,871	(5/88)
69.	Portland, OR	Rogers	82,587	(6/88)
70.	Harrisburg, PA	Sammons Communications	82,334	(5/88)
71.	South Bend, IN	Heritage	80,776	(5/88)
72.	Oakland County, MI	United	80,564	(5/88)
73.	New Orleans, LA	Cox Cable	80,348	(3/88)
74.	Baton Rouge, LA	Daniels & Assocs.	79,586	(4/88)
75.	Akron, OH	Warner	79,070	(5/88)
76.	Hillsborough, FL	Paragon	79,000	(4/88)
77.	Columbus, OH	Warner	78,454	(5/88)
78.	Indianapolis,IN	ATC	78,000	(3/88)
79.	St. Petersburg, FL	Paragon	78,000	(4/88)
80.	Albuquerque, NM	Jones Intercable	77,599	(8/88)
81.	Medford Complex Boston Suburbs, MA	Warner	77,167	(5/88)
82.	South Texas, TX	Heritage	77,160	(5/88)
83.	Fresno, CA	Continental	76,326	(9/68)
84.	Naples, FL	Palmer	76,312	(9/88)
85.	Cleveland Heights, OH	Viacom	76,000	(6/88)
86.	Allentown, PA	Service Electric	75,000	(9/87)
87.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
88.	Fayetteville, NC	ATC	74,000	(3/88)
89.	Flint, MI	Comcast	72,923	(6/88)
90.	Little Rock, AR	Storer	72,681	(5/88)
91.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
92.	Omaha, NE	Cox Cable	73,361	(3/88)
93.	Ocean County, NJ	Adelphia	72,355	(3/88)
94.	Pleasant Hill, CA	WestMarc Communications	71,759	(10/88)
95.	Lincoln, RI	Heritage	71,625	(5/88)
96.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
97.	Des Moines, IA	Heritage	70,148	(5/88)
98.	Santa Monica, CA	Century	69,900	(12/86)
99.	W. San Fernando Valley, CA	Cablevision Industries	69,378	(7/88)
100.	Birmingham, AL	ATC	69,000	(3/88)